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ABSTRACT

A study was undertaken of the educational needs of present and future managers of the large number of business firms in the United States that are or will be affected by economic and political environments abroad. The task force concluded that most firms, regardless of size and type of operation, will be affected by economic and political developments on the international scene. Most businessmen will therefore need to be able to understand and anticipate those effects. It was felt that the best time to provide international studies for these individuals would be either in university training or later in management development programs. Over 75 percent of graduating DBA's or PhD's in business have had no international business courses during their graduate studies. Less than ten percent of university students now study modern foreign languages, less than half a percent study abroad, and a very high percentage now graduate without ever having had a course about the history, politics, economics, of culture of a foreign country or area. (MSE)

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Business and International Education

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A Report Submitted by the
Task Force on Business and International Education

to the

Government/Academic Interface Committee
International Education Project
American Council on Education

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PREFACE

The relationships between business and international education are vast. Business is worldwide, education is lifelong. This is particularly true for international business where early (elementary and secondary) education is important in shaping the attitudes of individuals about other peoples and other cultures, and where much of the later education is on-the-job or in non-degree programs. As a consequence, the first meeting of the Operating Task Force and much of the effort of the Advisory Task Force were devoted to narrowing the field---to determining what was important, manageable and useful. The result is a study of the educational needs of present and future managers of the large number of business firms in the United States which are, or will be, affected, directly or indirectly, by economic and political environments abroad. These individuals need to study and understand such environments, and how business might operate within them.

Even though the subject was "*business* and international education," it also became clear that we were not concerned solely with business schools. Business hires its future managers from all disciplines---business schools do not have a monopoly in the supply of future managers. Hence, we were concerned with international education in all areas of the university, although most of our efforts were devoted to the internationalization of business education and to the development of cross-disciplinary curricula between international studies in other parts of the university and the business school.

These needs had been anticipated in the selection of members of the two Task Forces. Each Task Force was a mixture of responsible and knowledgeable individuals from business, government and academe, with a diversity of types of international business firms and of roles within those firms; a diversity of types of universities and of roles and disciplines of the individuals within those universities, and a selection of responsible government officials drawn from those agencies most closely related to the activities of international business.

The Operating Task Force met three times during the Winter and Spring of 1975-1976 to examine the components of the problem, to define the studies which were needed, and to discuss the results of those studies. Meanwhile, during the Fall and Winter of 1975-1976, the Advisory Task Force worked, through a Delphi Process, to determine the kind of education which is needed given the international aspects of business, as well as the time and manner in which such education can best be provided. This task force met in the Spring of 1976 to discuss its own findings and the preliminary findings of the studies undertaken by the Operating Task Force. Finally, the Operating Task Force met a fourth time, in the Fall of 1976, to elaborate its findings and recommendations for future action by business, government and academe.

It would be difficult to convey to the reader the excitement and pleasure which the author experienced in working with the members of these two task forces. They had been selected for their competence and experience. They also proved to be interested and very productive. Much of the research involved is the work of subcommittees of the Operating Task Force.

Whereas the undersigned drafted the report, it is the result of discussions and written material emanating from both Task Forces and represents a consensus of the Operating Task Force, which reviewed the last draft. It must be understood, of course, that the report is the collective work of individuals acting in their personal capacities and that none of its findings or recommendations may be attributed to any of the agencies or institutions with which the members of the Task Force are affiliated.

It would be remiss not to acknowledge the efficient assistance of Julia Graham in typing, copying, collating, and managing the voluminous mail which this work entailed. Also, a special note of thanks is due to Dr. Rose Hayden, Director of the International Education Project at the American Council on Education, for her faith, encouragement and assistance.

Finally, all members of the Task Forces are particularly appreciative of the financial assistance of the Exxon Education Foundation which made this study possible for the future benefit of higher education and of the international business community.

LEE C. NEHRT
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List of Abbreviations Used

AACSB	American Assembly of Collegiate Schools of Business
ACE	American Council on Education
AIB	Academy of International Business
AIESEC	Association Internationale des Etudiants en Sciences Economiques et Sociales
AMA	American Management Association
BCIU	Business Council for International Understanding
DBA	Doctorate in Business Administration
IAESTE	International Association for the Exchange of Students for Technical Experience
IB	International Business
IBGA	International Business—Government Affairs
IEP	International Education Project
IMDI	International Management and Development Institute
ISA	International Studies Association
MBA	Master of Business Administration
MNC	Multinational Corporation
MNF	Multinational Firm
NSF	National Science Foundation
PR	Public Relations
SAIS	School of Advanced International Studies

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INTRODUCTION

In 1971, the U.S. Office of Education sponsored a conference in Philadelphia to discuss ways in which the government and academe might better communicate their needs to each other in the field of international education. This was followed by a Smithsonian Conference in May 1972, sponsored by the Bureau of Educational and Cultural Affairs of the Department of State. This latter conference led to the establishment of a Government/Academic Interface Committee on International Studies to examine the methods whereby the academic world and the federal government might best cooperate in the development and design of international studies. This Interface Committee suggested the formation of a series of government/academic task forces to address various aspects of the international education issue.

The International Education Project (IEP) of the American Council on Education was initiated in August 1973. Its major purposes were: (a) to reexamine the roles which the academic sector might play to better serve the needs of government, and (b) to monitor federal legislation, advise government officials and legislators, and generally serve as a liaison between them and the academic community.

Because of the coincidence of interests, the IEP was asked to assist in the implementation of the recommendations of the Interface Committee. Consequently, during 1973-74 the IEP organized a series of five task forces to examine the following themes: (a) diffusion of international education; (b) overseas experience and skills reinforcement; (c) transnational research collaboration; (d) foreign language needs and competencies; and (e) library resources for international education. Each of these task forces has prepared a report on its findings and recommendations. In addition, the International Education Project has published (October, 1975) a synthesis of these reports entitled *Education for Global Interdependence.*

Meanwhile, as the work of the above five task forces was progressing, it became apparent that a critical and increasingly important area of concern not reflected in these initial task force activities was that of *business* and international education. Any balanced and realistic consideration of the international dimension of higher education is incomplete if it does not take into account the needs of the business community. Business, the largest employer of graduates from institutions of higher education, requires employees who are adequately prepared to cope with the problems they will inevitably face as managers. It is becoming ever more apparent that these problems are very much affected by the press of global events.

Every firm, whether located within national borders or not, operates in an international environment. Those companies which reach across national boundaries encounter even more visible challenges. In sum, the problems which businesses face have taken on an expanded transnational dimension. International political, economic and social factors play a growing role in the affairs of American business and it is only fair to restate that no major area of American business activity today is substantially unaffected by events and conditions occurring outside the United States.

Although it is clear that business now operates in an environment made much more complex by international circumstances and events, it was not clear what the implications of this were for the American higher education community which supplies the large majority of future business managers.

Over the past ten years, a series of conferences and task forces had been organized to examine the needs of the international business community and the ways in which higher education might best respond (see Appendix I). However, these efforts related only to the business school. In addition, most of these previous conferences and task forces had been gatherings of informed persons who exchanged viewpoints and attempted to reach a consensus as to what should be done---in *general* terms. The lack of hard data made it difficult for those participants to back up specific recommendations.

As noted, there was no systematic study of business needs in the international education and training area as relates to all of higher education including, but not limited to, business education. This activity had to encompass the totality of the higher educational system serving business and seek, among other things, to develop means for synthesizing existing studies and fostering interdepartmental as well as inter-university cooperation in the international education field. In addition, because of the growing involvement of the federal government in the international business area (as evidenced by recent Senate investigations of the multinational corporation), as well as current studies and activities by the National Science Foundation, the Department of Commerce, the Department of Labor and the Department of Agriculture (which relate to multinational corporations), a study was needed to incorporate this involvement and its implications for higher education.

Consequently, the IEP submitted a proposal to the Exxon Education Foundation for support to establish a Task Force on Business and International Education. The proposal indicated that the Task Force would: (a) make an assessment of business needs; (b) undertake an evaluation of curricular responses; and (c) make recommendations regarding desirable means of future collaboration between government, academe and business to secure adequate levels of communication and support for international education to meet business' requirements in this area.

In early 1975, the Exxon Education Foundation responded affirmatively. By November of 1975, the American Council on Education had created two task forces, an Operating Task Force and an Advisory Task Force, whose work continued over the following twelve months.

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

GENERAL

The Task Force concluded that most business firms, regardless of size and type of operations, will be affected by economic and political developments on the international scene. Most businessmen will, therefore, need an ability to understand and anticipate those effects. Also, the number of American managers stationed abroad will probably not diminish during the coming decade. Several surveys have found, however, that very high percentages of individuals are still becoming presidents of multinational corporations without ever having had any international work experience, and that many managers with international responsibilities had had no international studies while at the university, and no management development programs with international content, while employed, to prepare them for such international responsibilities.

There was a bifurcation of views regarding the best time to provide the international studies and training needed by future middle and top managers---in university training, or later in management development programs. There is a consensus that broad international education should be obtained while at the university and that this should be reinforced, later, with training in specific international business skills as the individual progresses through various levels of management. Yet, given that most management development programs have so little international content, and that so few middle and top managers attend the management development programs with international content, particularly as preparation for assignments where they will have international responsiblity, the burden falls ultimately upon institutions of higher education to provide the international education which will be needed.

Looking first at the *business schools*, it was found that efforts must be made in many directions to internationalize the curriculum. This inevitably implies parallel efforts to internationalize the faculty. It was agreed that true, solid training in any of the functional fields of study in the business school should be understood to include the international dimensions of that field.

Perhaps the most astounding finding of the various surveys conducted by the Task Force was that over 75% of graduating DBA's (or PhD's in Business) have had *no* international business courses during their graduate studies, and that another 10% have had only one such course. Not only must this be changed, but other ways be found and utilized to provide existing faculty members with the facility to internationalize their courses, and their textbooks.

There is a gradual growth of *cross-disciplinary programs* permitting business students to take courses in area studies or international affairs, but more frequently to permit the liberal arts students to take a minor in business or enroll in a joint degree program. This is clearly a movement which should be encouraged. At the same time, it is desirable to increase the interactions between the faculties of the business schools, international affairs and area studies. They have much to learn from each other in order to provide a more desirable education to their students. In addition, it would be particularly useful to provide opportunities for international affairs professors to study the multinational corporation in greater depth.

Although nearly all *law schools* now teach classes in international and comparative law, a relatively restricted number teach courses in international business law. All law students should have the option of adding this international dimension to their studies.

Although the Task Force undertook surveys related only to business schools, area studies programs, international affairs programs and law schools, it is important to realize that business firms hire graduates from all parts of the university. Or, to put it the other way around, graduates from any part of the university may, either immediately or later in their careers, end up involved in the international activities of a business firm. One must consequently ask: to what extent do university students in general receive an education which prepares them for this eventuality?

It was found that less than ten percent of university students now study a modern foreign language, that less than one-half of one percent now study abroad, and that a very high percentage now graduate without ever having had a course about the history, politics, economics or culture of a foreign country or area. To quote Champion Ward, a Ford Foundation official: "It is time, therefore, for internationalism in higher education to be grounded in the very idea of a university."

The Task Force concurs and feels that a true university education should be understood to include the international dimension. For education, in its essence and by definition, should result in the elimination of provincialism. Without this, the graduate is destined to be an uninformed citizen of the most powerful country in the world, and will be inadequately prepared to be a future manager in a high percentage of U.S. business firms.

MAJOR RECOMMENDATIONS

1. *It is recommended, first, that the American Council on Education appoint an Implementation Committee to undertake or facilitate the implementation of the various recommendations of this Task Force.*
2. *The primary recommendation is that a joint AACSB-AIB committee be appointed to develop and direct a three-year program of summer workshops to prepare business school faculty to teach various special international business courses and to internationalize various specific functional courses. This joint committee must seek financing from both government and private sources to subsidize those workshops.*
3. *The other major recommendation is that strenuous efforts be made to appoint a high level committee of international businessmen, academics and government officials to raise a significant amount of funds to finance research in international business. Such research would be of three types: first, that of*

immediate interest to the international business community; second, that on the frontiers of the research needs of international business; and third, research requests by the many business and international affairs faculty whose research would help them to develop competence in the field of international business.

OTHER RECOMMENDATIONS

The other recommendations, while of somewhat lower priority than the above, are nevertheless considered to be of significant importance in furthering international education for the long-term benefit of business, of government, of individuals, and of education itself.

1. It is recommended that the AACSB undertake the following:

(a) Prepare and promulgate an interpretation of the accreditation standard regarding the internalization of the business school curriculum, and provide guidance to visitation teams in this regard.

(b) Discuss at the next and subsequent annual AACSB meetings the problem that 75% of graduating DBA's (or PhD's in Business) have had no international courses during their graduate studies, and another 10% have had only one such course, and to undertake to find approaches to resolving this problem.

(c) Review the AACSB position regarding joint degree programs with area studies and international affairs to facilitate students from those areas obtaining BA or MA degrees which may still have a significant number of business school courses. The AACSB should work with the AIB and the ISA in encouraging the development of such programs. These should be considered as complementary to, rather than competitive with, the business degree, part of the service function of the business school to the rest of the university, and in keeping with the trend toward cross-disciplinary programs in higher education to meet the increasingly complicated demands of society.

(d) Encourage business school deans to seek and facilitate joint appointments of international affairs professors on the business school faculty, and to encourage international affairs deans to seek business school professors for joint appointments on the international affairs faculty.

(e) Encourage business school deans to seek one or more continuing budget lines and (or) outside funding for visiting foreign professors.

(f) Organize a clearinghouse (information exchange service) to which foreign business professors can write to make known their interest in a visiting professorship in a U.S. business school, and to which U.S. business schools can write to indicate their interest in having a visiting foreign professor. The AACSB newsletter, International Dimension, *might be used as one specific vehicle for this activity.*

(g) Organize a similar clearinghouse to facilitate U.S. business school professors wishing to go abroad to teach or do research in a foreign business school. Where possible, this effort should be coordinated with existing mechanisms for placing professors abroad, such as the Fulbright Program or the Latin American Teaching Fellowship Program.

(h) Cooperate with the State Department in publicizing to business school deans the availability of foreign service officers who might take sabbaticals to become visiting lecturers.

(i) Cooperate closely with AIESEC-US headquarters by distributing information to business school deans, encouraging them to promote and assist students in establishing local AIESEC committees at each business school.

2. It is recommended that the AIB undertake the following:

(a) Encourage its members, whose schools have an international business program, to create and utilize advisory committees of international businessmen to reflect the needs of the business community.

(b) Encourage its members to work with students to promote the establishment of a local AIESEC committee at their school, to work with AIESEC trainees so that they may carry out individual research projects during their internships, and to strongly encourage every student who is an international business major to participate in an AIESEC traineeship.

(c) Develop a "Directory of International Management Programs," and arrange for a commercial publisher to publish it annually.

3. It is recommended that the AACSB and the AIB jointly undertake the following:

(a) Form a committee to look for ways of informing and convincing multinational corporation managers who are taking sabbaticals or early retirement to accept a visiting, adjunct, or permanent appointment on a business school faculty, and to participate in short-term (one-week) executive-in-residence programs.

(b) Form a committee to look for ways to encourage multinational corporations to organize summer-abroad programs for college students, based on the model of the Mobil Oil Program.

(c) Encourage business schools to internationalize their executive development programs.

4. It is recommended that a joint ISA-AIB committee be appointed to carry out the following projects:

(a) Organize summer workshops for international affairs faculty to deepen their understanding of the organization and operation of multinational corporations, with the financial support of government, private business, and foundations.

(b) Encourage the organization of three pilot Advanced Management Programs in International Affairs to develop approaches in the education of middle and upper managers in the area of business diplomacy, such pilot programs to be financed by business and government, over a five-year period, with the expectation that they would be self-sustaining thereafter.

(c) Encourage international affairs faculties to experiment, in collaboration with companies, to develop systems whereby managers, prior to assignments overseas or to significant international responsiblity domestically, might engage in periods of individually directed study within the international affairs program.

(d) Encourage international affairs faculties to develop close working relationships with multinational corporations so that the faculty members might design and conduct in-company business diplomacy education pro-

grams.

5. It is recommended that such organizations as the American Society for International Law encourage all law schools to initiate courses in international business law.

6. It is recommended that AIESEC-US headquarters be assisted in working with the national headquarters of Rotary International (and other similar organizations) to obtain the assured support of the local Rotary (or other) clubs for the efforts of the local AIESEC committees.

7. It is recommended that IAESTE-US headquarters attempt a reorganization whereby a local committee be formed at each engineering school, so as to enlarge support from the business community and increase the number of engineering trainees sent abroad. Financial support for this effort would be required from both industry and government.

8. This Task Force wishes to add its very strong recommendation to those of some of the preceding Task Forces regarding the need to reverse the trend in higher education, during the past ten years, whereby fewer and fewer students are studying foreign languages and various international courses. It is recommended that the American Council on Education, through its International Education Project, continue to encourage universities to examine existing foreign language requirements, to improve language sequences for non-majors, and to develop a distribution requirement whereby each student would take a certain number of international courses.

9. Finally, all of the foregoing recommendations are pointless unless the international business community recognizes what universities have done and are doing in preparing students for international responsiblities. As this report indicates, much needs to be done. However, a great deal has already been accomplished. To a certain extent, the business community has only been paying lip service to the need for more and better international training. Hiring practices seem to indicate that companies place a low value on international education. Personnel managers are responding to immediate requirements rather than to future needs. Unless the marketplace generates real demand for students with these capabilities, efforts to improve the quality and supply of students with international training may have little effect.

Consequently, it is recommended that The Conference Board and the American Management Association develop information programs for their members regarding the current availability and utility of internationally trained university graduates, as well as the need to do more to support the aforementioned recommendations.

10. It is recommended that business firms (and private foundations), the ultimate beneficiaries of the foregoing recommendations, work closely with the future Implementation Committee and with the various implementing organizations to permit the achievement of these important new directions in international education.

11. It is recommended that the U.S. Chamber of Commerce, the National Association of Manufacturers and other trade associations, which have been encouraged by tax legislation to support education, lend their strong support to these activities which are directly related to the interests of their constituencies.

It will be initially necessary to support the work of the Implementation

Committee itself. Significant levels of financial assistance will then be required to permit the implementation of major recommendations #2 and #3, which have highest priority. Substantial support will also be required to organize the workshops and pilot programs described in Recommendation #4.

It will be particularly important to provide budgetary and program support to the AACSB to permit it to undertake the various new efforts recommended in #1 (e), (f) and (g).

12. The U.S. Departments of Commerce, Labor and Treasury have ongoing, funded research activities in areas of international economic policy. It is recommended that such funding also be used to support the kinds of research discussed in this report. The Implementation Committee should also seek to work closely with the international office of the Small Business Administration in order to obtain funding and to design programs of particular interest to the international activities of the many smaller business firms.

13. To permit the government (which benefits indirectly from the programs recommended by this report, and which has legislative responsibilities to encourage and assist these educational developments) to provide its share of the support of the programs and activities discussed above, it is recommended that there be an increase in the funding for the Bureau of Educational and Cultural Affairs of the State Department, and it is further recommended that Congress provide adequate funding for the programs which have been authorized by such legislation as the International Education Act and Title VI of the National Defense Education Act.

OVERVIEW

The magnitude of the impact of international firms on the U.S. economy is not generally appreciated. One should note first of all that total U.S. exports have recently passed $100 billion per year and that total foreign direct investment by U.S. companies has also recently passed the $100 billion dollar mark. Secondly, a large number of industries have very significant percentages of their operations overseas. In 1974, the U.S. drug industry, for example, had 31% of its operations abroad; farm machinery - 27%; construction machinery - 27%; tires - 22%; office machinery - 20%; soaps and detergents - 20%; motor vehicles - 18%; soft drinks - 18%; etc.

Of the 500 largest U.S. industrial corporations, at least 25 make more than 50% of their profits from their international operations. In 1974, these included International Harvester - 75%; Libby McNeill and Libby - 62%; Gillette - 61%; Otis Elevator - 60%; Pfizer - 60%; Coca Cola - 59%; Dow Chemical - 57%; Uniroyal - 57%; American Standard - 57%; IBM - 54%; and most of the major oil companies.

In the other direction, there is a rapid growth of foreign investment in the U.S. A recent survey by the U.S. Department of Commerce revealed that in 1974, there was a total of $26.5 billion of direct foreign investment in the U.S., involving approximately 10,000 companies, employing over one million people and with total sales of $147 billion.

It is of overwhelming importance and should therefore be clarified at the outset to note that, in the context of this report, international business is *not* confined to doing business within foreign countries. In so far as the number of businessmen is concerned, this is only a small portion of the whole. International business includes all aspects of exporting and importing goods and services in addition to the operation of overseas offices, manufacturing and processing plants, mining operations, etc. Thus, when one speaks of educating or training people for international business, one refers to all those individuals whose job can be better performed if they are familiar with the economy, politics or culture of one or more foreign countries, or if they have an understanding of international politics, economics, finance or transportation. This includes a wide variety of people who work in various capacities in different types of firms, yet never leave the United States. Their business is affected by competition from imports, or utilizes imported parts or services; they correspond with foreign firms; they meet and deal with visiting foreign businessmen or government officials; their work entails an understanding of the foreign sales or foreign operations of their company; they must make decisions which affect, indirectly, the foreign sales or operations of their company; they must fully understand the environment in which their foreign operations are located in order to communicate, in the complete sense of the term, with the company's overseas personnel.

Thus it is seen that the need for international education for the business world is not restricted to the 35,000 businessmen who live overseas, nor to the people who work in the U.S. offices of the 6,000 large companies which have overseas operations, nor to the 20,000 firms which engage in exporting. International business and its indirect effects have become a pervasive factor in the U.S. business scene. It is difficult to point to a firm of any size which is not involved in or affected by some aspect of international business.

It is also clear that the large number of individuals working in the business world come from a wide variety of educational backgrounds. A minority of them are trained in business schools. They enter business with degrees in the arts, or sciences, from engineering or from one of the various other professional schools. Hence, the concern of this study is with all of higher education, and is not restricted to the business schools alone.

But how does one begin to look at the needs for education and training of such a wide variety of people from such diverse sources? First, it was decided to undertake several studies of the career patterns of executives at different levels of management to determine the extent to which their own careers were involved in the international operations of their firms, and to examine the type and timing of training they had had, if any, in the international field. Second, the Advisory Task Force engaged in a Delphi Process to determine what types of skills were required in international business, and the best means and timing for acquiring such skills.

CAREER PATTERNS

Under the rubric of career patterns, two studies were carried out. The first study was prompted by an article which had been published in *Nations Business* in 1966 which showed that whereas in 1950 only several of the presidents of the country's 100 largest industrial firms had ever worked in the international activities of a company, by 1965, 20% had worked five or more years in an international division or overseas.

Consequently, survey questionnaires (see Appendix II) were sent to both the Presidents and the Chairmen of the top 100 industrial firms in the U.S., selected from the Fortune 500. Thus, 200 questionnaires were mailed; 73 usable questionnaires (representing 55 firms) were returned.

Results showed that 25% of the respondents had spent five or more years in the international division of their companies, or in an overseas assignment. This shows somewhat of an increase over the 20% of the similar survey conducted in 1965.

The respondents were then divided into three groups: Group A, 45 individuals (62% of the total) who had never been assigned overseas nor to the international division, although they have had responsibilities which related to the international activities of the company; Group B, 15 individuals (20%) who had had specific international assignments at U.S. offices, but had not lived overseas; and Group C, 13 individuals (18%) who had been assigned abroad for one year or more at some time during their careers.

In comparing these three groups it was found, as would be expected, that only 18% of Group A had command of a foreign language, while 33% of Group B and 62% of Group C had this ability.

There was one significant difference in university education. Approximately 54% of Group C (those who had been stationed overseas) had a degree in business administration or accounting, compared with 33% for Group B, and 35% for Group A.

Of the 28 individuals who had had international responsibilities either in the U.S. or abroad, only two (7%) felt that their university courses had helped to prepare them for such responsibilities, while only three (11%) had attended a management development program with international content. Although 90% of the firms represented had extensive international activities, only 35% had in-house training programs with any international content.

It is of interest to note that, in a study carried out in 1965 entitled *Developing Management for the Worldwide Enterprise*, Business International found that many companies send budding senior managers abroad to widen their horizons. A senior official of General Foods noted at the time: "The best training ground for America's future top managers is in overseas operations. I could even go so far as to make a case for the advisability of establishing some international operations primarily as a kind of farm system for managers, regardless of the immediate profit potential." To provide yet another example, Toyo Rayon sent approximately 30 advancing executives overseas each year for the sole purpose of enabling those potential senior managers to view the outside world and thus to broaden themselves for wider responsibility.

The second career study carried out by the Task Force was a survey of nine large companies (Alcoa, Caterpillar, Citibank, Cummins, Eli Lilly, Exxon, General Electric International, IBM World Trade Corporation, and Proctor and Gamble). In each company ten persons were selected: four top managers, three middle managers, and three lower managers. Each of these persons had had at least one assignment with international responsibilities in the U.S. headquarters, or an overseas assignment. A company coordinator, usually the head of Personnel, was utilized in each firm to help select the ten individuals, and then to administer the questionnaire (see Appendix III).

The main purpose of the survey was to determine whether, in fact, large international companies have a company policy of rotating future top managers through international assignments on their way to the top, the extent to which such people have had some international education while at the university, and whether managers, before being assigned international responsibilities or sent overseas, are given specialized training to prepare them for those assignments.

Eight out of the nine companies responded, providing 73 usable questionnaires. It was found that none of the eight companies has a specific *policy* of rotating people through international assignments on their way to the top. Only IBM-WTC has an explicit practice of doing so. Only 20 of the 73 persons (27%) had had international courses while at the university. Only 22 persons (30%) had had specialized international management development courses or management development seminars with some international content. As there was an overlap of the above two groups, a total of 45 persons (62%) had not had any formal international training and had to rely completely on self-teaching or on-the-job learning to cope with their international responsibilities.

Only three of the nine companies have in-house management development programs with international content.

IBM alone appears to have some correlation between international management development and an up-coming assignment with international responsibilities. For the others (and to a large extent for IBM also) the only visible correlation was that the individual was about to be promoted to middle or top management and it was felt that a management development program would be good preparation for the next level of responsibility. The program just happened to have some international content.

DELPHI PROCESS

The eighteen-member Advisory Task Force plus ten members (representatives of business and government) of the Operating Task Force were asked to participate in a Delphi process, the purpose of which was to permit them to arrive at a consensus on a number of questions regarding the types of international skills which are needed by business and the best timing and manner for imparting those skills to the individuals concerned. A questionnaire was sent out to all twenty-eight participants. Their responses were consolidated and the results returned for each to see how the others had responded,and to share the reasons for these responses. In such a manner, each participant was "educated" by the other participants who may look at each question from another point of view, based on different experiences or on a different disciplinary outlook. The second-round results were similarly consolidated and returned to all participants for a third iteration. The results of that third and final round (which replicated the original questionnaires) appear in Appendix IV.

In reviewing the results, it is clear that there was a strong consensus (which was reached at the end of the first round) that most U.S. business firms, regardless of size and type of operation, will be affected by economic and political developments on the international scene, and most businessmen will, therefore, need an ability to understand and anticipate those effects.

Also, there was agreement that during the coming decade, companies which venture overseas on their first few investments will tend to send a larger number of American technical and managerial personnel to those new operations than is true for the more sophisticated multinational corporations. Thus, even though older multinational corporations show a tendency to reduce the number of Americans in their overseas operations, the total number of American managers stationed abroad will probably not diminish in the future and may even continue to increase, though at a slower rate than was true for the 1960's.

Although there was some tendency to agree that a "global view" and a true understanding of foreign politics, economics and cultures can best be taught to individuals while they are still at the university, rather than when they are middle managers, the larger number of participants arrived at a neutral position on this question. This was based on comments that, whereas the individual has more time for such learning when he is at the university, interest is greater, learning is accelerated and understanding is more thorough for the mature middle manager who is about to assume a responsible international position.

A large majority of the participants (70%) disagreed with the statement that: "What business will need are graduates with solid training in an immediately useful field such as marketing, finance, or accounting. They can learn all of the international aspects of business on the job." Consensus appeared to center on two comments. The first is that true, "solid" training in a functional field should be understood to include the international dimension of that field. The second is that it is unlikely that there will be either sufficient time or the appropriate intellectual climate on-the-job to develop the knowledge, perspective and sensitivity required for international responsibilities without making costly errors while learning.

There was a bifurcation of views regarding the best time to provide the international training needed by middle and top managers---university vs executive development programs. However, from the responses it appears that there would have been a consensus on a statement that a broad international education base should be obtained at the university and that this should be reinforced with training in specific international business skills as the individual progresses through various levels of management and international responsibility.

This was reinforced by the results of the tabulated question (Question #1) regarding the method of training which is preferable for each of seven specialized skills and seven generalist skills. The participants indicated a strong preference for university studies for all the generalist skills except for "international negotiating techniques," for which they indicated that overseas on-the-job experience was the best learning method, with specialized executive development programs the next best. A relatively strong sentiment was also shown for executive development programs as the best method for learning U.S. foreign policy.

Among the specialized skills, the participants showed a strong preference for university studies for the learning of international business finance, international accounting and international business law, while overseas on-the-job experience was preferred for international marketing, international labor relations and international transportation. Importing and exporting techniques, it was indicated, is best learned on-the-job (domestic or abroad) or through management development programs (in-house or external).

In attempting to prioritize the specialized skills, the participants ranked international business finance and international marketing as "very important," with international accounting, international labor relations, international business law, international transportation, and importing and exporting techniques rated as "important."

Among the generalist skills, "knowledge of the economy, politics, business practices and culture of a foreign country or region," "international management skills," and "working knowledge of a foreign language" were ranked as "very important," while the others were ranked as "important."

Finally, consensus was reached at the end of the first round that there will be a growing need for all of the skills, both specialized and generalist, in the future.

CONCLUSIONS

The results of the Delphi Process indicate that: (1) the number of overseas managers will not be decreasing; (2) a very high percentage of all U.S. business managers, at all levels and in all types of companies, whether or not they have international operations or are directly engaged in exporting, have need for knowledge of international business; (3) there will continue to be a growing need for both specialized and generalist types of international business skills; (4) "solid" training in one of the functional fields of business should be understood to include the international aspects of that field; and, (5) most of the generalist skills in international business are preferably taught in universities, while most of the specialist skills are best learned in executive development programs or on the job.

On the other hand, the research showed that: (1) nearly two-thirds of the presidents and chairmen of the largest international firms are guiding those companies without having had any experience in the international divisions or overseas; (2) of the other one-third who had international assignments, only 7% felt that their university training had helped to prepare them for those international responsibilities, and only 11% had attended executive development courses with international content; and, (3) of the younger group of 73 managers surveyed in eight large international companies, only 27% had had international courses at the university and only 30% had attended executive development courses with international content. But most importantly, only very rarely did the international management development training coincide with international assignments so as to be purposeful in helping the individual to be better prepared to carry out his international responsibilities.

Consequently, every effort must be made to get companies to send their managers to specialized international management development programs prior to their being assigned international responsibilities. Unhappily, this is unlikely to have any degree of success.

Therefore, the Task Force concludes that:

(1) Companies must be encouraged to internationalize their in-house management development programs;

(2) Management development programs in general must all be internationalized; and

(3) Most of the responsibility falls on the universities. The generalist skills should be taught there. However, given the practices of content and attendance at management development programs, most of the specialized international business training must also be taught at universities, or the burden will continue to fall on the individual to learn it on his own, or on the job through expensive trial and error.

INTERNATIONALIZING THE BUSINESS SCHOOLS

In his address at a 1974 symposium on "Preparing Tomorrow's Business Leaders Today," sponsored by the Graduate School of Business Administration of New York University, E. A. Costanzo, Vice President of Citibank noted that: "Multinational business is becoming so important that the business school had better prepare all its students for it. The young man who graduates from one of our business schools without the realization of the scope and thrust of multinational business is as unprepared for the reality of our economy as the young man who graduates without a little accounting knowledge."

Such a need was recognized by the AACSB which, in 1974, changed its accreditation standards to require that the curriculum of business schools reflect the "global" as well as the domestic aspects of business. The Task Force felt that it was important to determine the extent to which business schools have now responded to this changed standard, the methods they are using to achieve compliance and the strategies they are following to increase their ability to comply.

Consequently, a questionnaire was sent to the deans (or chairman) of all 494 U.S. educational institutions listed in the 1975-76 AACSB *Membership Directory.* Of the 178 accredited institutions, usable responses were received from 136 (76.4%), and of the 316 non-accredited institutions, usable responses were received from 205 (64.9%). A copy of that questionnaire and a compilation of the data they contained appear in Appendix V.

CURRICULUM

It was found that, as of the Spring of 1976, 76% of the accredited and 69% of the non-accredited institutions have taken steps to comply with the new AACSB standard on the internationalization of the curriculum. As to the strategy being followed or planned to meet that standard, the largest number of schools (accredited and non-accredited) indicated that they were internationalizing the approach and content of their core courses ("Business and Society" and "Business Policy"), while the next largest number had chosen to assure that each of the functional core courses had an international portion inserted into it. Large numbers of schools also indicated that they had selected to: (a) insert a course in international business as part of the required core courses; (b) require each student to take either international marketing, international finance, international management, or international accounting, depending upon the student's interests or major field of study; or (c) teach each functional course from a global viewpoint.

FACULTY

None of the above strategies can be followed unless the faculty are appropriately selected, trained or recruited. The deans were asked what steps they were taking to assure that each faculty member involved had the requisite background to internationalize his or her course.

The largest number indicated that this is done by careful selections from among current faculty and via appropriate recruitment criteria. The next largest number indicated that they leave it up to the individual faculty members to develop their own capabilities through self-study. Other solutions were to "encourage foreign travel," and "encourage attendance at seminars and workshops."

When asked their opinions as to the desirability of instituting summer workshops in international business for faculty members, 86% of the deans of accredited schools and 87% from non-accredited schools indicated that they felt it was either desirable or highly desirable.

When asked how many members of the faculty each dean would encourage to attend a summer workshop in international business over a three-year period, 57% indicated two or three members, while a significant number said six members. The total of faculty members who would be thus encouraged to attend summer workshops were 473 from accredited schools and 549 from non-accredited institutions, or a total of 1022 over a three-year period.

To determine the strength of conviction as to the importance of such workshops in international business in the minds of the deans, each was asked how many members of the faculty would be provided with a summer grant to attend such a workshop over a three-year period. Approximately 30% indicated that they would send one, two, or three faculty members. The totals of faculty members who would be given summer grants to attend these workshops were 114 from accredited and 137 from non-accredited schools, or, a total of 251 over three years.

It should be noted at this point that in May of 1976, the AACSB organized a one-week workshop in Washington, D.C. for deans and faculty members to survey the field of international business and to discuss the various ways in which international business might be integrated into the curriculum. It was very well attended and termed "definitely successful" by the participants.

The AACSB has, for a number of years, served as coordinator of the Sears fellowship program of faculty internships in government for periods of a semester or a year. Faculty internships in international business firms are similarly a means of preparing faculty members to internationalize their functional courses. The deans were asked their opinions of the desirability of instituting such a program. Approximately 48% felt that it was "desirable" and another 46% felt that it was "highly desirable."

Rather than attempt to organize such internships at a national level, one might consider a decentralized effort where each business school makes its own arrangements with specific international business firms. To ascertain the feasibility of such an approach, the deans were asked whether they have, in the past, attempted to implement regular (not international) faculty internships at a local level. Approximately 37% said that they had tried it, but of these, only a quarter to a third had obtained favorable results.

VISITING FOREIGN PROFESSORS

Another means of infusing an international dimension into the faculty and the curriculum is the use of visiting foreign professors. The deans were consequently asked their views on having a visiting foreign professor on the faculty each year. Approximately 40% felt that it was desirable and another 20% indicated that it was highly desirable.

When asked how many, if any, visiting foreign professors they had had over the past five years, 49% of the accredited schools and 81% of the non-accredited said "none." It was also found that none of the non-accredited and only twelve of the accredited schools had averaged at least one visiting foreign professor per year over the past five years.

Finally, the deans were asked what the probability was of their obtaining a continuing budget line for a visiting foreign professor. Fully 39 accredited and 44 non-accredited schools indicated that it was possible, while 12 accredited and 6 non-accredited felt that it was highly probable.

INTERNATIONAL EXECUTIVES AND DIPLOMATS IN RESIDENCE

Business schools have long (though not extensively) used business executives in residence as a means of injecting reality into the classroom. This is most easily accomplished by inviting the executives to spend one to five days in residence. It has been rare that an executive is willing to take a four-month or eight-month sabbatical from business to serve as a visiting lecturer in a business school. It is becoming more and more feasible to find an executive who is taking early retirement, in his early fifties, and who would be interested in joining a faculty as a lecturer.

All of the above strategies can be used to locate executives with extensive international experience who not only can teach international business courses, but can also join existing faculty on research projects and give them entree into the business world. Given their career-long contacts, such persons provide better access to data and better criticism as to the reality or feasibility of conclusions which academic researchers reach.

The State Department recently (early 1976) instituted a program, funded by Congress, to permit foreign service officers to take sabbaticals in industry or to teach in universities. Again, such resource persons can be used for a semester or a year, in the same ways and for the same purposes as noted above for international business executives.

In both cases, for the executives and the diplomats, the need exists and the resources exist. The need must become a felt need and the resources must be put on the marketplace.

DOCTORAL STUDY IN INTERNATIONAL BUSINESS

All of the above-mentioned solutions to increasing the ability of the faculty to teach the "international" of internationalized courses (workshops, internships, visiting foreign professors, international executives in residence and diplomats in residence) are stop-gap measures. The real need is the internationalization of doctoral studies. It is now unthinkable that a doctoral graduate in business not be well-grounded in the behavioral and the quantitative aspects of management. It should be equallly unthinkable that this graduate not be well-grounded in the international aspects of management. Only in that way, in the long run, might one be confident that each faculty member will be capable of teaching his courses from a "global" viewpoint, rather than from a purely domestic one.

Considering that the teaching of international business at a graduate level has been spreading rapidly the past fifteen years, one would hope that the process of internationalization of the doctoral student has been taking place naturally. To determine the extent to which this has been happening, the Task Force undertook a study of doctoral graduates in business to determine how many are, in fact, graduating with a sufficient background in international business so as to be able to internationalize their courses without the need for retooling in a workshop or by other means.

In the U.S. a total of fifty-four business schools have doctoral programs. They enrolled a total of 4,003 doctoral candidates in 1974-75. For this survey the Task Force selected the twenty-five schools with the largest number of doctoral candidates (see Table 1). A survey questionnaire (see Appendix VI) was sent to each school. The contact person there was asked to examine the transcripts of those graduates who had received their degrees (DBA or PhD in Business Administration) in 1969, 1972, and 1975 and note, for each, whether during the student's *graduate* studies (Masters and Doctorate) the student had taken 0, 1, 2, or 3 courses in international business, or a minor or a major in the field. All twenty-five schools responded, but only twenty-two returned usable questionnaires. The twenty-two had a total of 2,663 doctoral candidates in 1974-75, or, 67% of the total in the U.S. The results of the survey are summarized in Table 2.

Consistently, approximately 75% of doctoral graduates (the new faculty members of this nation's business schools) have not had *any* international business courses during the course of their graduate studies. Another 11% have only had one such course.

There was considerable variation between schools. At the University of Arkansas and at Mississippi State, there have been no international

TABLE I

1974-75
NUMBER OF DOCTORAL CANDIDATES IN U.S. BUSINESS SCHOOLS

UNIVERSITY			
New York University	400	Northwestern	100
University of Arkansas	200	Cincinnati	98
University of Pennsylvania	200	University of Wisconsin	95
Harvard	185	Mississippi State	95
Georgia State	150	University of Georgia	94
UCLA	150	University of Missouri	93
USC	125	Penn. State	90
Ohio State	111	Stanford	85
University of Minnesota	102	University of Washington	80
University of Michigan	100	Arizona State	70
Indiana University	100	Kent State	70
Columbia University	100	MIT	65
American University	100	**Total**	**3,058**

TABLE 2

DBA SURVEY RESULTS

	1969	1972	1975
Total Graduates Receiving degree	322	435	390
% with a major in international business (I.B.)	9%	4%	5%
% with a minor in I.B.	4%	3%	2%
% with two or more I.B. courses, but no major or minor in I.B.	4%	4%	7%
% with only one I.B. course	11%	11%	11%
% having had no I.B. courses	72%	78%	75%

business courses available. Naturally, all the graduates have had no international business courses. In several schools, such as Ohio State, American University, Northwestern and the University of Missouri, a few courses are available, but extremely high percentages of the doctoral graduates did not take any. Several schools, such as Kent State, New York University and the University of Michigan have graduated approximately half of their doctoral graduates with no international business courses (50% average for Kent State, 54% for New York University, and 55% for the University of Michigan). Finally, Georgia State stands out with an average of only 13% (0% in 1975) with no international business courses.

If one is serious about the need to internationalize the curriculum of this nation's business schools, these survey results point to a problem which cries out for attention.

What solutions are available? The AACSB has not attempted to set standards for or provide accreditation for doctoral programs. Hence, the burden falls on the individual schools themselves. In the past, as the need for competence of doctoral graduates in the behavioral and quantitative aspects of business was recognized, business schools gradually, one by one, required that the doctoral graduate demonstrate an in-depth capability in each of those areas. It came about gradually. At present, most, but not all, doctoral programs have requirements in both of these areas. It becomes clear that the demonstration of a similar competence in international business will also become an integral part of doctoral studies, starting in the more progressive schools and gradually spreading to the others.

TEXTBOOKS

An adequate number of textbooks now exist for most of the international business courses as such (Introduction to International Business, International Marketing, International Finance, International Management, and International Business Policy). One exception is the lack of a text in International Accounting. However, the great need for the next ten years will be the publication of text books for the core courses which have been internationalized. For example, there is a need for a basic business and society text, a basic marketing management text, a basic financial management text, etc., written from a global viewpoint. It is not enough to take a standard text and add one chapter with "International" in the title. Professors often find that they do not have time in the semester for that chapter. Besides, nearly each concept chapter in these texts has its international aspects which should be integrated into the general text. Until such texts are available and in use, it is difficult to demonstrate to an AACSB visitation (reaccreditation) team that such a course is really being internationalized.

RESEARCH

Several peculiarities of research in international business are that it often tends to be cross-disciplinary and that it is world-wide. Hence, many problems require a team approach, often involving the integration of foreign researchers. Also required is international travel. Both of these factors mean that it costs more money. This is not to say that there is no room for the individual researcher working by himself, using his own resources. Much good research in international business during the past ten years has come out of just such efforts. Yet a high percentage of the significant research has come out of well-organized, well-financed, team research. Until now, access to the kind of financing required has been restricted to a few of the top business schools. Unfortunately, even these sources are drying up. The usual source of research funding within each business school, such as summer research grants, simply does not permit the researcher to undertake most of the interesting research problems in international business.

There is a need for the financing of international business research which will permit faculty members in any of this nation's several hundred business schools to get involved. At the same time, a number of members of the Task Force noted that many multinational corporation executives have expressed a desire to have research which is focused on problems of specific as well as general interest, and is carried out by independent, unbiased sources. It would appear to be advisable and desirable to find a way of marrying these two needs. Ultimately, it is the faculty members who engage in research in the field who will be most comfortable in and capable of internationalizing their courses.

ADVISORY COMMITTEES

Another method, examined by the Task Force, of internationalizing the business schools is the use of international business advisory committees. Such advisory committees of international businessmen are utilized for advice on curriculum and course content. They help provide access to companies for research data and case studies. They are available as executives in residence on a short-term basis (one class or several days per semester), and can be sources of discretionary funds for research and faculty development. They are an obvious and valuable resource. The Task Force undertook to determine the extent to which they are used.

A questionnaire was developed (see Appendix VII) and mailed to individuals at fifty-six schools which, according to the Academy of International Business 1974 *Curriculum Survey*, had three or more international business courses at either the graduate or the undergraduate level. Of the fifty-six questionnaires sent, fifty-two were returned. Of these, fifty were usable.

Those fifty schools had an average of 7.8 international business courses and 5.7 faculty members teaching those courses. However, only nine of the schools (18%) now have advisory committees of businessmen for their international business programs. The following are typical of the comments regarding the selection and use of such committees.

- Boston University has "an eight-member advisory committee which meets twice a year and gives general advice on curriculum and course content."
- The University of Cincinnati committee has never met, but "individuals are contacted for general advice and they are helpful in PR work."
- Ohio State asked six men to serve as a "resource pool" rather than as a formal advisory committee. They "are available to visit international business classes--each man one visit per year."
- The University of South Carolina has an advisory committee for the business school as a whole. Within that committee, selected by the dean, are two international businessmen who serve as an international business sub-committee to advise the international business program. They meet with the international business faculty two or three times a year and "have been most helpful in matters relating to policy and curriculum development."
- Georgia State has a nine-member Advisory Board made up of three international bankers and six international businessmen. It was formed ten years ago. New members of the board are selected by the international business faculty after discussion with existing advisory board members. The board chairman invites each new member to join. It meets formally twice per year and occasionally at other times, as required. "The committee gives advice and reactions to our program in international business, both degree and executive development. They also provide a source of discretionary funds for research and for personnel development of the international business faculty. These funds also cover expenses not coverable through other university funds. The Board has been particularly effective in recent years in advising us on an increase in emphasis on executive development programs in international business."

CONCLUSIONS AND RECOMMENDATIONS

1. Although most business schools are still seen to be highly parochial or provincial in their curricular approach, most of them are attempting to respond to the AACSB standard regarding the internationalization of the curriculum. *It is recommended that the AACSB be encouraged to prepare an interpretation of that standard and provide some guidance to visitation teams.*
2. There is a significant need for summer workshops to prepare business school faculty to teach various specific international business courses and

to internationalize various specific functional courses. *It is recommended that a joint AACSB-AIB committee be appointed to lay out a three-year program of such summer workshops. Each workshop should be quite specific as to its purpose and goal. Each summer, workshops could be held simultaneously at three different locations in the country. The joint committee should also seek outside funds from business firms, foundations and government to finance the major costs of these workshops.*

3. The use of visiting foreign faculty members is a way of injecting some internationalism into the curriculum, into the ambiance of the school, and into joint research projects with other faculty members. *To that extent it is recommended that the Washington AACSB office organize a clearinghouse service to which foreign professors can write to make their availability know, and to which business schools can write to seek one or more continuing budget lines for visiting foreign professors.*

4. A very effective method of getting faculty members involved with international aspects of their discipline is to have them spend a semester or a year on leave or on sabbatical, teaching or doing research abroad. The recent joint publication of the AACSB and the AIB, *The International Directory of Schools of Business*, now makes it much simpler for faculty members to identify specific business schools in specific countries which would be of interest to them. It would be far more effective, however, if foreign business schools could advise as to their interest in having a U.S. business professor in residence, to teach or do research, or both. *Consequently, it is recommended that the Washington AACSB office organize a clearinghouse service to facilitate such movements.*

5. It is desirable to increase the flow of international executives in residence and to take advantage of the recent program whereby foreign service officers may take a sabbatical to teach at a University. *It is recommended that the AACSB cooperate with the State Department to publicize to business school deans the availability of such potential visiting faculty. It is further recommended that the AACSB and the AIB form a committee to look for ways of informing and convincing multinational corporation managers of the utility of taking a sabbatical or an early retirement to accept a visiting or permanent appointment on a business school faculty. This is particularly desirable for the medium and smaller-sized universities. Also to be encouraged are the shorter (one week) executive-in-residence programs.*

6. It is clearly desirable that all DBA candidates obtain a sufficient background in international business so as to be able to internationalize whatever functional courses they may teach. It is unfortunate that 75% of current DBA's (or PhD's in Business), have not had any international business training. Unfortunately, the method of achieving such a change eludes the members of the Task Force. *It is recommended, however, that this matter be a subject of discussion at future annual meetings of the AACSB.*

7. There is a need for a textbook in International Accounting. There is also a need for new textbooks, in all of the functional fields, written throughout from a global point of view, rather than having a chapter on the international aspects of the field inserted near the end of the book.

Publishers should be encouraged to seek writers to co-author such texts, utilizing a leading writer of the current "domestic" text and a leading writer in the international aspects of the discipline.

8. Advisory committees of international businessmen can bring many positive factors to an international business program. *It is recommended that the AIB undertake to encourage its members to utilize such committees.*

9. The resources from business foundations to finance "international" research has decreased appreciably during the past ten years, at a time when profits from international business operations were increasing rapidly. This trend must be reversed to provide the financing required for an expansion of research in international business. *It is recommended that a high-level committee of international businessmen and academics be formed to seek such research funds from multinational corporations and perhaps administer a "Fund for Research in International Business." It is recommended that the American Council on Education appoint a committee whose goal it would be to establish guidelines for this effort and to recruit and launch the high level committee. This effort might be related to or linked with the Fund for Multinational Management Education.*

10. There are currently various sources for the financing of research in international business, including the National Science Foundation and, for example, IBM's post-doctoral fellowships for research in international business. *It is recommended that the AIB compile, every several years, a "Directory of International Business Research Sources" to assist those individuals who are not aware of the potential sources.*

OVERSEAS INTERNSHIP PROGRAMS

Classes in the business schools are not the only way for university students to learn about doing business in foreign countries. Several extensive programs exist to make it possible for a student to go overseas for a summer or longer to work as a trainee in a business firm.

AIESEC

The Association Internationale des Etudiants en Sciences Economiques et Commerciales (AIESEC) was founded in Europe in 1948 and has since arranged and administered the reciprocal exchange of more than 79,000 student internships. Of the 79,000 internships taken, 6,200 have gone to U.S. students. There are currently national AIESEC organizations in over 55 countries. The goals of AIESEC are (1) to develop internationally educated managers; (2) to foster cooperation between students and managers; and (3) to complement theoretical management education with practical leadership experience.

The AIESEC organization provides the opportunity for any business or economics student to go abroad to any one of fifty-five countries and have a traineeship awaiting in a business firm. It is the sort of experience which every student who majors in international business should have. It is excellent training for any other student for a future business career. Too frequently, however, the student goes abroad without being adequately prepared and as a result, fails to gain the maximum benefit from the experience. At a minimum, the student should have done a lot of reading about the country, its history, politics, economics and methods of doing business. It would be much better if the student had had a course in international business prior to the traineeship so as to put readings about that specific country into a broader context. The optimum would be that, in addition to having had a course in international business, the student sign up for a course of directed field study prior to departure and agree, with his or her faculty supervisor, on the research project to be carried out while working in the foreign country.

The Task Force attempted to determine the extent to which U.S. students are taking advantage of these opportunities. First of all, the findings reveal that although there are 494 business schools or departments in the U.S. which are members of the AACSB, there are presently only 67 universities and colleges which have AIESEC local committees to arrange for the such traineeships, and some of these do not have business schools (Princeton, Wellesley, Smith, etc). This means that there are nearly 450 business schools or programs which are not making it possible for their students to have a foreign internship (not to mention the many international business programs which do not provide the opportunity for their majors). In 1974, 306 U.S. students (undergraduate plus graduate) went abroad on

AIESEC traineeships. (This compares to 454 German and 389 French students. In 1976, there were only 230 U.S. students involved in the exchange, compared to 385 German and 306 French students).

The Task Force also carried out a survey of former AIESEC trainees to determine what preparation they had had for the traineeship, what benefits they felt they had derived from it, and the degree to which it affected their job interviews and subsequent work experience. A copy of the survey questionnaire and the survey results appears in Appendix VIII.

From the AIESEC-USA headquarter's alumni file of 600 names and addresses, 180 were randomly selected for this survey, and 72 (40%) returned usable questionnaires. The average time period since graduation for these respondents was eight years.

It was found that only 25 of the respondents (35%) felt that there was a need to know the local language (if other than English) and 20 of those ([illegible]%) felt that they had sufficient command of the language. A total of 56 respondents (78%) had had international courses of some kind prior to the traineeship. On the other hand, only 4% of the respondents had arranged to get academic credit for their traineeships.

Of the 72 respondents, 36% have been involved in the international activities of some organization since graduation, while 20% have worked overseas for one year or more.

In examining the responses regarding the effect of the traineeship on subsequent job interviews, about 25% said it had no effect, 35% said it had some positive effect, and 40% said it had a relatively strong positive effect.

As to the effect of the traineeship on subsequent job performance, about 25% felt that it had essentially no effect, about 40% felt it had some positive effect and about 35% indicated that it had a relatively strong positive effect. (A number of the typical remarks regarding the above effects of the traineeship are included in Appendix VIII.)

IAESTE

The International Association for the Exchange of Students for Technical Experience (IAESTE) was founded in 1948 in London. Since then, 160,000 students have participated worldwide. The program began in the U.S. in 1950 under the auspices of a student committee at MIT. Its operations are completely centralized with headquarters in Columbia, Maryland.

Its purpose is the same as AIESEC, but it is designed for students of engineering and science, providing them with technical or experimental experience in a foreign company.

In 1975, 4,500 students participated in a foreign traineeship worldwide. However, the U.S. placed only 68, while Germany placed 636; The Netherlands, 408; Poland, 300; Switzerland, 281; France, 269; Sweden, 268; etc. It is clear that something is wrong with the U.S. program or with the level of interest and cooperation of U.S. companies when compared with figures for other countries.

The IAESTE-US office has on file 1,100 names and addresses of trainees who have participated between 1955-1970. A short questionnaire was sent out to these 1,100 persons last year, and 800 responses were received. This Task Force survey used 200 of these responses, randomly selected. Of the 200 questionnaires mailed, 136 (68%) were returned. (A copy of the questionnaire as well as the questionnaire results appears in Appendix IX.)

The only significant difference from the AIESEC survey was that only 26% of the IAESTE trainees had had "international" courses prior to the traineeship, as compared with 78% for the AIESEC trainees. This would be expected for engineering and science students. Also, only 24% have subsequently been involved in the international activities of some organization, compared with 35% for AIESEC. Of the persons who eventually went into international work, only 30% had previously taken international courses.

In examining the effects of the traineeships on job interviews and subsequent job performance, the findings show, as expected, that a large percentage (43% as compared with 26% for AIESEC trainees) felt that the experience had essentially no effect on their job interviews, whereas only 18% (as compared to 36% for AIESEC trainees) felt that it had a relatively strong positive effect. However, for those trainees who eventually worked in international activities or overseas, a higher percentage of IAESTE trainees (41%) as compared with AIESEC trainees (38%) indicated that the traineeship had had a relatively strong positive effect on subsequent job performance.

MOBIL OIL

The Mobil Oil Corporation sponsored a "summer abroad program" from 1954 to 1968 whereby ten to twelve students were selected each year for summer jobs in foreign subsidiaries of Mobil the year before their graduation. Over the years there were 136 such trainees. Of these, Mobil hired thirty-four after their graduation, and of this group, ten are still with Mobil.

The thirty-four who were hired by Mobil were not included in the survey because their responses would bias the results. An attempt was made to obtain the current addresses of the other 102 participants by writing to the Alumni Offices of the universities they were attending when participating in the summer abroad program. This involved thirty-one different universities. Of these institutions, twenty-nine responded. Questionnaires (see Appendix X) were then sent to ninety-four "summer abroad" participants and usable responses were received from fifty-two of them---a 55% response rate.

The students who participated in the Mobil Oil program were selected on the basis of academic ability plus a campus interview, without regard to area of specialization. As a result, there was a mixture of engineering, science, business, liberal arts, and law majors. Findings reveal that 56% had had international courses prior to the summer abroad (compared with 78% for AIESEC and 26% for IAESTE). However, 63% have since worked in the international activities of some organization (compared with 36% for AIESEC and 24% for IAESTE), and 44% have worked overseas for a year or more (compared with 20% for AIESEC and 19% for IAESTE). Other factors did not differ significantly from the other two programs.

PEACE CORPS

Although the Task Force did not undertake any study of the Peace Corps and its role in providing college graduates (or non-graduates) with overseas experience, the following quotes from an article, "They Like Peace Corps Grads," *Business Week*, March 22, 1976, are of interest to our deliberations:

> It may not always be clear what Peace Corps volunteers do for the countries they serve in. What is clear is that the Peace Corps today rivals the most prestigious business schools as a training ground for international managers–a fact that has not been lost on multinational companies and banks.
>
> "Coming out of the Peace Corps you have the feeling you could go anywhere in the world and land on both feet," says Jerome W. McFadden, a former volunteer in Morocco and now executive assistant to the president of Ashland Chemical Europe. His first jobs at Ashland were in sales in North Africa.
>
> Those who manage former Peace Corps members also think they have an edge overseas. Says Fulton Body, director of corporate development for the Brazilian subsidiary of Adela, a multinational investment company that employs three former Peace Corps members in Brazil: "They have the language, they're well integrated into the Brazilian community, they know how to travel, and they adapt very well to dollars and cents."
>
> No one knows exactly how many of the 65,000 volunteers who have graduated from the Peace Corps since its beginning in 1961 have ended up in overseas management jobs. But South America probably has more volunteers-turned-manager than anywhere else because the continent has big countries like Brazil that have vast underdeveloped lands as well as big international companies. In Colombia, Peace Corps director Manuel Villalobos estimates that 10% of the 300 volunteers arriving annually have stayed on in corporations or government jobs.
>
> Another plus for the former volunteers is their easy adjustment to what some Americans consider hardship assignments. "The ideal candidate for work overseas is an MBA who has living and, we hope, business experience in the country, speaks

> the language fluently, and has taken some courses in macroeconomic theory," says Thomas B.O'Rourke, who oversees marketing and credit operations for the Philadelphia National Bank's international division. "Peace Corps members have crossed several bridges that most MBA's haven't. They have already conquered the adjustment problem."

The above comments coincide closely with an observation by Peter Drucker, in his "Summing Up: Preparing Tomorrow's Business Leaders Today." He noted that "We will have to think through how to use the international opportunities and needs of our world for the development of managers. It would seem to me, for instance, that we may come to look upon service in the developing countries as one of the best ways (and certainly one of the cheapest) to develop young executives---we may have to learn that this is, above all, work that develops the rising young executive and prepares him for the challenges and opportunities of a multinational corporation and a world economy."

CONCLUSIONS AND RECOMMENDATIONS

All four of the concepts of foreign work experience discussed in this chapter are clearly of great value to the individuals concerned, not only as part of their education per se, but also in preparing them for future careers in business and government.

The AIESEC, IAESTE and Mobil Oil-type programs could be significantly improved in several ways. Through the selection process, the participants could be expected to have taken one or more international courses about the country or area to which they are going prior to departure.

Also the participants could be strongly urged, or required by the organizations concerned, to enroll in an independent study research course whereby each would, in coordination with his or her professor, prepare a research outline and undertake preliminary reading during the latter part of the semester prior to departure, and carry out the research and preliminary drafting of the report while on-the-job or in the foreign country. Such research may be directly related to the job or the firm for which the student is working, or it may relate simply to the economics, politics, institutions or procedures in the country concerned. Such a research course would considerably enhance the learning aspects of the internships and would also permit the student to earn college credit equivalent to that granted for summer school.

1. AIESEC is apparently in need of revitalization. The number of local committees has sunk to an unacceptably low figure. The goal should be to have a local committee at each of the 494 colleges and universities where the business school or department is a member of the AACSB. *It is recommended that both the AACSB and the AIB work with the AIESEC national headquarters to strive toward this goal. The AACSB can assist by distributing*

information about AIESEC and encouraging the establishment of local commitees in its communications with the Deans and at annual meetings. The AIB should strongly encourage its members to assist students to set up local committees at every school where there is an AIB member. In each school where a student might major in international business, an AIESEC traineeship should be strongly encouraged if not required for such students. What better start could a student who is interested in an international career have than the exercise of a foreign language, and the overseas living and work experience of an AIESEC traineeship. At the same time, AIESEC-US headquarters should be encouraged to work through such national organizations as Rotary International to obtain assured support of the local Rotary Clubs for the local AIESEC committees.

2. IAESTE is also in need of revitalization. The extremely low number of U.S. students going abroad under this program indicates a need for reorganization. *It is therefore recommended that IAESTE-US consider the establishment of many local committees at the various engineering schools throughout the country so that large numbers of students have the possibility of participating.* Only in that way can widespread cooperation and assistance from industry be obtained. Only with such a goal, and with a substantial grant to assist IAESTE-US headquarters in moving in this direction, can one anticipate a rejuvenation of this most important program for our engineering and science students. After all, the key to present and future business operations abroad is often in the area of technology transfer. U.S. engineers and scientists must be able to communicate with their foreign counterparts on other than a technical level in order for such transfer to be efficient.

The same comments as noted above on AIESEC trainees, regarding prior study of international courses and directed research courses apply to IAESTE trainees.

3. It should be noted that the Mobil Oil summer-abroad program is only an example. Other companies have operated similar programs. The Mobil Oil summer-abroad program appears to be a success story in several ways. For the company, it proved to be an extremely effective method of recruiting high quality graduates who, prior to recruiting, could be screened under extraordinary conditions. For the students, the experience had all of the advantages of an AIESEC traineeship, plus the factors that it was more structured in pre-departure briefing and represented a more meaningful work experience. It is also interesting that a significantly higher percentage of the Mobil Oil trainees (who were not recruited by Mobil Oil) ended up in international careers than was true of AIESEC or IAESTE trainees. *The Task Force recommends that the AIB and the AACSB, as a joint project, undertake to encourage more companies to organize similar programs. There are, at a minimum, 300 multinational corporations which could easily organize, finance and benefit from similar summer-abroad programs.*

4. Because of the nature of the Peace Corps, one cannot presume to encourage the government to enlarge its scope on the basis of the benefits to be derived by the volunteers. *However, the Peace Corps should continue to actively seek useful projects in those countries where effective work can be*

carried out, and Congress should be encouraged to provide a level of financial support such that all useful projects can be undertaken. The direct benefits are for the recipient countries. The indirect benefits are for the volunteers, and for the organizations who employ them after that experience.

INTERDISCIPLINARY INTERNATIONAL PROGRAMS

Four types of interdisciplinary international programs have been identified and studied by the Task Force. One is a mixture of area studies with international business. A second is a combination of international affairs with international business. The third is the embryonic field of business diplomacy. Finally, the field of international business law, as contrasted with international (political relations) law, is small but growing.

AREA STUDIES AND INTERNATIONAL MANAGEMENT

Many area studies programs were created during the 1960's, financed initially by several foundations and later by grants from the federal government. Some of their graduates have gone to work for government and a few in industry. But primarily the graduate programs produced teachers who went off to establish more programs. When the initial spread of programs ceased, few job opportunities were left for those with graduate degrees, and the large number of undergraduate majors could not be absorbed by the existing marketplace. Consequently, over the past several years a number of area study programs have sought formal or informal relationships with the business school so that their students could take some minimum number of business and (or) international business courses and thus become more competitive in obtaining jobs with industry---particularly for jobs in or leading to the international activities of the firms.

The typical curriculum structure which has evolved has been a combination of language, area studies, business and international business, in addition to the degree requirements for a BA or MA in the particular university. The language requirement has been either two years or the attainment of some minimum proficiency. The area studies portion has consisted of a set of courses about a geographic area relevant to the language studied. The business courses usually consist of most of the core courses for a business degree. On top of this there may be some minimum of courses in international business. Thus the program may be portrayed as follows:

Language	**Area Studies**			**Business**	**International Business**
4 semesters or minimum competence	History		Africa,	Accounting	Introduction to International Business
	Politics	of	Asia,	Economics	
	Geography		Europe, or	Marketing	International Marketing
	Economics		Latin America	Finance	International Finance
				Org. Behavior	International Management

In an attempt to determine the extent to which such inter-disciplinary programs have spread, and to learn more about the faculty and students in these programs, the Task Force established a sub-committee. A questionnaire was developed to send out to the chairmen of the various area study programs in the U.S.

The World Studies Data Bank supplied names and addresses of 696 area studies programs. Questionnaires (see copy in Appendix XI) were sent to all of these, but only 55 usable questionnaires were returned. The percentage is too low to draw any valid conclusions, except that it does suggest that most of the area studies chairpersons do not find the subject of much interest to them.

Among the 55 programs about which data was received, 9 (16%) had formal programs with the business school while 28 (50%) had an informal program which allowed the students to take courses in the business school. This undoubtedly is not a representative sample. If it were, 15% of 696 area studies programs would mean that there are 104 formal, inter-disciplinary degree programs. It is the feeling of the Task Force members, however, that the total is only about one-third of this, in the range of 30 to 35. The typical formal undergraduate inter-disciplinary program was found to have 12 students while the typical graduate program had 8 students enrolled.

Looking at the area studies programs in general, among the 55 respondents only three indicated that they sometimes organize seminars for business executives. Only fourteen questionnaires responded to the question regarding job placement results for their graduates. Few programs attempt to or are able to obtain access to this type of data. Hence, the responses may be rough estimates. Of the fourteen respondents, three indicated that 31% to 50% of their graduates hold positions in business; four indicated 21% to 30%; three showed 15%-20%; the others 5% or less.

Only five of the 55 programs indicated that there was financial support available to do research in international business. However, among the 55 programs there were 62 faculty members who had done research in international business, 28 who had undertaken graduate study in international business, and 20 who had international business work experience.

Finally, only twelve of the 55 programs utilize business school faculty members as part of their program.

INTERNATIONAL AFFAIRS AND MANAGEMENT

While international affairs programs have been spreading gradually over a period of many years, such programs did not experience the rapid impetus during the 1960's that characterized the area studies programs. Consequently, there has not been any rapid change of supply and demand followed by a search for new directions, nor has there been a subsequent need to look for joint programs with the business school.

On the other hand, the graduates of international affairs programs are entering their careers in government, or in international organizations concerned with international economics and politics, with little or no understanding of business or the multinational corporation. What they know of the multinational corporation has been learned from professors who interpret the firm from the exterior---from its economic and political *effects*---without understanding it from its interior, as an entity in itself.

Considering the importance of the multinational corporation in the international economic and political scene, it is necessary that graduates of international affairs programs thoroughly understand the multinationals. At the same time, given the growing political aspects of such operations, there is a growing need for multinational corporations to hire graduates who have majored in international affairs and who also understand the operations of the firm.

Consequently, the same subcommittee which surveyed the area studies programs also conducted a survey of the international affairs programs to determine the extent to which these programs have established joint degree programs with business schools and the extent to which their faculty are trained, through study, experience or research, to teach about the multinational firm.

Although the World Studies Data Bank contains the names and addresses of 160 international affairs programs, problems in access to the Bank resulted in a list of only 63, to which questionnaires (similar to the one shown in Appendix XI) were sent. Usable returns were received from only 12. Thus, the results are not of much analytical value.

What was clear, however, is that very few of the faculty members have competence in international business studies or have an opportunity to conduct research in the field. There are very few joint programs, or programs whereby the international affairs major might have a minor in international management along with a degree in international affairs. Evidently, the gulf between business schools and area studies or international affairs programs is still very wide. It seems relatively clear that few of the business schools are as vocationally oriented as they are perceived to be by the liberal arts faculties who staff area studies and affairs programs. There is a convergence of research and teaching interests and approaches, but much of this is occurring without the knowledge of business schools and liberal arts faculties---at least it is occurring without any conscious effort to take advantage of the convergence.

INTERNATIONAL BUSINESS DIPLOMACY SKILLS

The values of interdisciplinary studies for international business education are especially relevant for the increasingly critical need for "business diplomacy skills." The Task Force therefore appointed, from its membership, a four-man subcommittee to explore the varied facets of business diplomacy skills, the qualifications required and the role of education in developing them. (The full report of that sub-committee is contained in

Appendix XII.)

"Business diplomacy skills" was chosen as the term which best describes the functions of businessmen which are of concern here. They are defined as the skills required for the management of relations with home and host societies, including the formulation of policies and strategies and the conduct of interactions necessary to implement them. Business diplomacy, like political diplomacy, tends to be largely a matter of relations with governments. Therefore, most attention is directed to international business-government affairs (IBGA). Just as political diplomacy requires relating to all levels of foreign societies, so does business diplomacy involve interactions in many non-governmental areas.

Business diplomacy is not the function of a few specialists. Rather, it is a part of the range of responsibilities of businessmen in international work. Businessmen at all levels, from corporate presidents to functional managers overseas, are regularly involved in activities with business diplomacy impact. Thus business diplomacy may be placed in the same category as general management or accounting or human relations---a field of competence of varying importance in different business positions but one of broad relevance as part of the package of roles performed by managers.

The sub-committee's report focuses only on "business diplomacy skills" with reference to the multinational corporation. However, it must be noted that it is relevant to a much broader range of business firms, for example those whose international activities include exporting, importing and licensing; those which are critically affected by import competition; and perhaps some which have no direct interactions in the foreign business arena but which involve themselves in international economic affairs because they perceive their importance to the general welfare of society. The focus on the multinational corporations is simply indicative of the prominence of their role and the critical significance of business diplomacy skills in their activities. Clearly, education for business diplomacy skills is valuable for managers in a much broader spectrum of companies.

How important are business diplomacy skills? Business diplomacy is critical to the success of multinational corporations and significant for relations among nations. There is every reason to believe that this importance will continue in the future. Nations and the underlying forces of nationalism appear destined, at least in the immediate future, to remain the central feature of the global scene. The multinational corporation is unquestionably a major agent for the achievement of the economic objectives of nations. The interactions required by that role are therefore of central importance to the goals of nations as well as to the firms themselves.

Four major components are identified as critical requirements for the manager in the conduct of business diplomacy: (1) a deep knowledge of the operations of the firm; (2) an understanding of the political, economic and cultural context within which the foreign officials (with whom one negotiates) work; (3) an understanding of the international political and economic scene, including the political and economic system of the U.S.; and finally, (4) the behavioral sensitivity so vital to personal interactions in general.

It is clear that such an individual must achieve, in one manner or another, a very broad background; there is no one path toward the goal. By formal training the individual may be the product of any of the cross-disciplinary programs discussed above. Or, the individual may come from any one discipline and learn the other aspects of IBGA on-the-job.

Since a major source of future managers is the business school, a questionnaire (shown in Appendix XIII) was sent to the 55 business schools which have strong international business programs, to determine the extent to which their students are exposed to IBGA studies. The schools were asked to indicate which of their courses featured IBGA content and what percentage of the total content it composed. The responses provide some useful indications of current IBGA curriculum content, and fall roughly into two categories:

1. Content relevant to the IBGA context—international economics, economic development, international finance, comparative management, area analysis, etc. These courses were indicated to contain something in the 10-30% range of IBGA content. This coverage would be understood in terms of this study to be highly relevant to the subject, giving the student an understanding of the context in which business diplomacy takes place.

2. IBGA policy and practice—under this heading would fall courses in general international business, international business management, international marketing and the like. The courses were indicated to contain a wide range of IBGA material. For example, courses of varying names which would fall in the general category of "International Business Management" included the following percentages: two at 5%, two at 10%, ten at 15-25%, two at 30-40%.

The survey did not identify any regular business school courses which were devoted entirely to the study of IBGA. However, some business school students, particularly international business majors, are encouraged to take international courses in other parts of the university, with some having high IBGA content, e.g. international political studies. The survey found that 21 of the 28 schools which replied allow students to take such courses elsewhere in the university, and 10 of the 28 required one or more of them for international business majors.

A future step in the direction of using curriculum resources elsewhere in the university is the development of formal joint programs with other schools or departments, for the benefit of business students as well as for those other students. Nine of the 28 schools had programs of this nature, similar to those noted in the cross-disciplinary programs in the preceding sections.

A program of study in international affairs or area studies is also a logical foundation for future responsibility requiring business diplomacy skills. An appreciable number of people do move from those fields into business careers, as noted in the preceding sections. The sub-committee restricted its inquiries to the development of business diplomacy skills in international affairs students. They found, as was also noted in the preceding section, that these students are acutely conscious of a competitive disadvantage vis-a-vis the MBA holder, and that there is substantial pressure from these students to acquire business skills as part of their own study programs.

This survey and interviews came to the same findings as those noted in the preceding section, namely, that very few international affairs programs are concerned with providing their students with management skills. Two major schools of international affairs (the Fletcher School of Tufts University, and the Johns Hopkins School of Advanced International Studies) do not even have business schools in their universities. As a result, their efforts have required the creating of business courses within their own faculty resources. On the other hand, the schools of international affairs at Columbia and Pittsburgh have developed relationships with their respective business schools, although those at Columbia are of a more formal nature than those at Pittsburgh where the arrangements are informal.

Since the greatest needs for business diplomacy skills generally appear at advanced stages of management careers, opportunities for developing these skills as the careers of managers progress are of prime importance. Because of the dominant need for development first of basic functional skills and later of general management competence, business itself has difficulty in giving substantial attention to early development of business diplomacy skills. Within this context effective business diplomacy competence at later stages of careers may be fostered by education through three processes.

First, it may be learned on-the-job in various interactive processes supplemented by reading by the individual. Business may foster this process by various actions which increase contacts between domestic and foreign managers.

Second, it may come from management development programs, either in-house, at universities or at various management organizations. A separate study of management development was carried out by the Task Force and is discussed in the next section. It will be seen that roughly 50% of the management development programs conducted by business schools include some international business content, but that the content varies from 5% in about a third of the programs, up to 25% to 45% in a few programs. However, if one were to examine the international business content, one would find that only a portion is of the type useful for the development of business diplomacy skills.

Third, public foreign affairs programs may play a particularly useful role in this field. Activities of this nature already exist in all major cities. Prominent among them are the programs of the Foreign Policy Association, the World Affairs Council, and the Council on Foreign Relations. Business is strongly urged to support and take advantage of these programs.

All of the basic established educational institutions have significant deficiencies in one way or another for the development of business diplomacy skills. In view of the importance of those skills, there is great value in innovative efforts in which business, public and educational institutions may well collaborate. Of particular promise would be new programs in which the capabilities of universities in international affairs and political science would be mobilized in cooperation with business firms.

Encouraging in this regard is the collaboration of the Johns Hopkins School of Advanced International Studies (SAIS) and the International Management and Development Institute (IMDI) with IMDI playing an energetic organizational role. A strong program of varied activities for businessmen which contributes to business diplomacy competence has evolved. The SAIS-IMDI program concentrates on information giving and interaction with "big name" people in Washington. Programs which have a deeper analytical character (comparable to the intellectual challenge provided in basic executive development programs offered by universities) is another direction which can usefully be explored for IBGA studies.

INTERNATIONAL BUSINESS LAW

A considerable number of lawyers join business firms as in-house counsels. Some of the top law graduates join the prestigious, large law firms which serve as counsels for the multinational corporations and other large companies involved in foreign operations. A much larger number of law graduates go to work for the many smaller law firms scattered around the country and become counsels for the many smaller companies which are involved in international trade and investment to a greater or lesser extent.

Legal matters related to international business are concerned with foreign sales agreements, foreign construction contracts, foreign representation agreements, international licensing agreements, joint venture agreements, litigation surrounding nationalization, international finance contracts, etc. The list of the legal aspects of international business would be very long. The question which must be asked is this: "To what extent do our law schools prepare their students to deal with these matters?"

Law schools, like most business schools, assume the U.S. environment. Lawyers are conditioned, as much as most business students, to think in terms of the U.S. economic and political system and of U.S. culture. As a result, companies engaged in international business have often obtained poor legal advice from their counsels who did not understand the international and foreign environment within which the contract would have to function, and did not understand the peculiarities of the international business firm and its relationships with foreign partners and governments.

How might law students be better prepared for this area? Most of the 175 law schools in the U.S. offer a course in international law. However, this type of course relates to the law of nations and does not deal with the types of problems which concern the international business firm. Even then, only about 10% of law school students take such a course. Again, most of the 175 law schools have a course in comparative law (although perhaps not quite as many as those which teach international law). But comparative law is primarily used to introduce the student to civil law and to the legal environment in other countries; it does not deal with the foreign political, economic and cultural environments nor with specific international transactions.

And, again, only about 10% of the law students tend to take the comparative law course.

The Task Force was aware that a number of law schools have, over the past ten to fifteen years, begun to introduce courses in international business law. These courses have such titles as: International Business Transactions; International Trade and Investment; International Taxation; International Business Policies and Institutions; and International Economic Development. To determine the prevalence of such courses, the number of students taking them, and the extent of relationships between the law schools and the international business program in the business schools, the Task Force appointed a sub-committee. This sub-committee prepared a questionnaire (Appendix XIV), which was sent to a select list of 36 leading law schools. Of the 36, 28 responded. (The results of the survey are also shown in Appendix XIV.)

It is seen, first, that 22 of the 28 respondents (81%) indicated that they have one or more courses in international business law. However, some of them included Admiralty Law and Comparative Law in that category. It is also important to note that the sample of 36 was not random, but was, rather, a list of most of the law schools which were likely to have a course in international business law. Thus, rather than drawing the conclusion that 81% of the law schools in the U.S. have one or more courses in international business law, it may be more accurate to say that the 22 schools which responded positively may constitute most of the schools in the country which have such courses. In any case, no conclusion can be drawn from the figure. It is important to note, however, that only 4.6% of the students in these leading schools take an international business law course, and in only one school were students required to take such a course.

When asked about the various ways in which a lawyer might gain a background in international business law, the predominant response was that a "JD including courses in international business law" was the most desirable, with a "JD and on-the-job learning" as the second best.

The sub-committee felt that it was also desirable to obtain the views of multinational corporations and of the leading law firms regarding the need for and availability of law graduates with training in international business law. Consequently, another questionnaire (Appendix XIV) was developed and sent to 24 multinational corporations and 49 law firms. From this total of 73, responses were received from 37. (The survey results are also shown in Appendix XIV.)

We find that 71% of the multinational corporations and law firms responding do look for lawyers who have some background in international business when adding their legal staff, and the same percentage require some of their lawyers to specialize in international business law. However, only about 14% of their present legal staff are presently specialized in this area.

The specific areas of international business law with which the respondents are concerned were given as follows:

Areas	Times Mentioned	Areas	Times Mentioned
Financing	12	Anti-Trust	6
Taxation	12	Licensing	5
Contracts	9	Gov. Permits	5
Export-Imports	9	Acquisitions	4
Investments	9	Litigation	3

The respondents were evenly divided in their opinion as to whether there is a shortage of lawyers coming out of law schools with capabilities in international business law. There was no appreciable preference shown as to the best manner for a lawyer to gain a background in this field. Finally, in their comments on what changes would be desirable in law school programs, the two most frequently mentioned were: (a) more integration with international business studies; and (b) have a formal course in international business. However, the third most frequently mentioned comment was that "experience is the key."

The prevailing opinion in the legal profession appears to be that "A sound legal education plus on-the-job experience continue to be the cornerstone of effective counsel, whether in domestic or international spheres of business activity." This is equivalent to the often-expressed opinion that "business schools should provide a sound education in the functional areas of business, and graduates can learn all of the international aspects of business on the job."

The Task Force is of the opinion that a sound education in the functional areas of business should be understood to include the international dimension of that field. It may also be true that a sound legal education should be understood to include the international aspects of business law.

CONCLUSIONS AND RECOMMENDATIONS

1. The growth of foundation and government support for area studies programs during the 1960's, followed by a leveling off and decrease in the early 1970's, has resulted in a surplus of graduates from these programs at both the undergraduate and graduate level. Largely as a result of this, cross-disciplinary programs between area studies and the business schools have developed. However, the growth of such programs has been frustrated by AACSB standards which appear to restrain business schools from entering into formalized programs of this type.

With the proper entry-level management skills, area studies graduates are a valuable addition to the future management pool for firms involved in international business. The Task Force feels that the development of such cross-disciplinary programs is to be encouraged rather than frustrated.

It is recommended that the AACSB review its position on this matter and clarify its standards and interpretations in such a way as to facilitate the *development of cross-disciplinary programs between area studies and the business school. Once this matter has been clarified, it is recommended that the AACSB join with the AIB and the ISA in encouraging the development of these programs, which must be considered as complementary to, rather than competitive with, the business degree, part of the service function of the business school to the rest of the university, and in keeping with the trend toward cross-disciplinary programs in higher education to meet the complicated demands of society.*

2. A review of the literature about multinational corporations written by experts in international affairs reveals a keen understanding of the problems which sometimes develop between the multinational corporations and host governments, but a lack of understanding of the operations and *raison d'etre* of the multinational corporation itself. At the same time, there is a lack of competence in business school faculties in the area of international affairs. These factors point to a need for considerably more cross-fertilization of these two parts of the university. There is some evidence of international affairs professors having joint appointments in the political science faculty and the business school faculty; there is little evidence of similar joint appointments of professors of international business. *It is recommended that both of these types of joint appointments be encouraged.*

The Task Force also encourages each international affairs program to establish an ongoing collaborative arrangement with one or more multinational companies to improve the business orientation of its work. Specifically, the business firms should provide advice about the qualities to look for in admissions so that candidates appropriate for business are selected where that career orientation is intended. Firms should give career advice to students at early stages to assist in both choice of career plans and specific courses and to facilitate placement operations.

3. Funds to do research in the field of international business have been made available to business schools, though, as indicated earlier, in insufficient quantities. Very little support has been given to international affairs professors for this purpose. *It is recommended that such funds be made equally available to international affairs faculty, and that joint research projects between international affairs and business school faculty be encouraged.*

4. There is no easy way for international affairs faculty to broaden their education to obtain a clear understanding of the multinational corporation, which is completely different from other types of international organizations. It would be highly beneficial if workshops could be organized for this purpose. *It is recommended that the ISA take the lead in organizing such workshops, with the technical support of the AIB and the financial support of the government and private business and foundations.*

5. The need for business diplomacy skills, especially in relations of multinational corporations with host nations, is already great and may be expected to become more significant in coming years. The U.S. educational system is currently making only modest direct contributions to developing these skills, particularly among the middle and higher levels of manage-

ment where the need is greatest. Because of the progression of management responsibilities, the requirements for business diplomat skills increase as people move up the management scale.

The faculty resources most relevant to development of business diplomat competence are largely found in international studies programs (including area studies, political science and international affairs). The present educational system results in little utilization of these resources for business diplomacy education. Primary attention should be devoted to developing ways to substantially increase their contribution to business needs. Business school and in-house executive development programs could play a major role because of the large number of managers who pass through them. Their staff competence and curricula are presently weak in business diplomacy content and efforts should be made to strengthen them. *Consequently, the Task Force recommends three operational plans as specific steps which could be taken to implement its general recommendations.*

First, three pilot Advanced Management Programs in International Affairs should be established to develop approaches to education of middle to upper managers in business diplomacy skills. The programs should be conducted by international affairs faculties in close collaboration with a group of business firms. The pilot projects should be adequately financed to develop high quality programs over a five-year period with the expectation that they would be self-sustaining thereafter.

The programs should provide an intensive, intellectually challenging experience in the knowledge and skills required for business diplomacy. The quality and character of the programs should be comparable to that provided by the best executive programs in management subjects. The programs might be expected to include study of fundamental subjects like political science, intensive analysis of some country situations and experience in specific aspects of government-business affairs. The determination of the length of the programs would require careful consideration of the task and the practical problems of firms in releasing personnel, and might run eight to ten weeks.

An interesting innovation for one of the pilot programs would be to have middle-level managers from multinational corporations and officials from developing governments study jointly for an extended period, perhaps a minimum of four weeks. The most important objective of this proposal would be achieved simply by the process of bringing the two groups together in circumstances which would be designed to develop mutual understanding and personal association. Substantial benefit in business diplomacy skills would also be achieved by a curriculum focused on critical issues in multinational corporation-host country relations. Over the course of time it could be expected that a significant collegial relationship among the accumulating alumni of such a program might also persist, substantially benefiting overall relations between business and governments.

Second, it is suggested that international affairs faculties experiment in collaboration with companies to develop systems for managers to engage in periods of individual study within their programs. The visitations would typically be expected to precede overseas assignments or advancement to positions with expanded business diplomacy responsibilities. The individual visitation approach is endorsed particularly because of its high degree of flexibility and its feasibility for any international affairs program, not requiring the administrative apparatus of the formal programs.

Third, companies should be encouraged to bring international affairs professors into their organizations for extended periods (6 to 12 months) to design and conduct in-company business diplomacy education programs. This recommendation has two objectives. One is to immerse the professors in the business environment to increase their interest and capability to foster business diplomacy education when they return to their universities. While this goal might be achieved by simply establishing faculty internships in business, we feel that internships may be less acceptable to business because they are essentially a burden on management, and that the professors will actually learn more if their presence involves purposeful interaction in the design and conduct of teaching efforts. The other objective is to provide business diplomacy education which is directly designed to serve the firm's situation.

6. The teaching of international law and comparative law, which courses are now found in most law schools, does not respond to the needs of firms involved in international business. Also, only about 10% of law students take these courses. While the teaching of international business law courses has been spreading slowly among the better law schools, only about 5% of the students take these courses.

The nature of the law profession is such that a limited number of law firms have competence in international business law and companies with need for such legal service can go to such law firms. Also, within the legal department of a business firm, one or several of the lawyers can specialize in international business law and can be utilized for those particular problems. It may, therefore, be difficult to argue that *every* lawyer should have a background in international business law and that legal education is not sound unless it includes international business law.

However, to the extent that any given law school does not offer courses in international business law, its students do not have the option of gaining competence in this field. Also, sound legal advice in the field of international business law presupposes that the lawyer has a background not only in international business transactions, but also an understanding of the foreign environment in which the client firm is operating. This would argue for the same broad background of international studies and living-abroad experience which is so important to the international business manager.

Consequently, the Task Force recommends that all law schools be encouraged to initiate courses in international business law, and that students who take such courses also take broadening international courses outside the law school, and become involved in such summer-abroad programs as AIESEC.

EXECUTIVE DEVELOPMENT PROGRAMS IN UNIVERSITIES

A major source of management development for mid-career managers is the various types of programs offered by business schools. In 1976, in the U.S., there were about 50 such "general" executive development programs of at least two weeks in length. There were many others less than two weeks long, most of which tend to be specialized in some one subject of management. There are also some specialized courses which last two weeks or more.

Although the 50 executive development courses mentioned purport to be "general," most of them are purely domestic. A review of *Brickers Directory of University-Sponsored Executive Development Programs-1976* shows that, of the 48 general programs described, only 21 even mention the word "international," and many of these contain only international economics or a discussion of the international monetary system.

That figure coincides somewhat with the findings of a survey carried out by the Task Force. Of 50 schools contacted (because they have three or more international business courses in the undergraduate or graduate curriculum), 36 had executive development programs, but only 23 of these had international business content. However, the percent of content varied greatly. For example, 7 of the 23 had 5% or less international content, and another 7 had between 6% and 10% international business content.

There were 6 schools whose executive development programs have approximately 25% international content. Harvard, for example, has 4 different programs whose international business content varies from 5% to 40%. Other schools near the 25% level are New York University, Portland State, Southern California, Florida State and Columbia.

A small number of business schools with very active international business programs also provide special seminars in various aspects of international business. The Task Force is not aware of any compilation of schools and courses of this type, nor was it able to carry out a comprehensive survey. It was learned, however, that Georgia State, Michigan, Florida State and South Carolina actively provide such international business seminars.

AMA—CONFERENCE BOARD

Like the universities, the American Management Association (AMA) and, to a much lesser extent, the Conference Board, provide both a range of regular domestic executive development programs and a small number of specialized international business seminars. However, a review of the courses offered by the AMA shows that only in the Division of Finance are there a variety of seminars in the international field. There are none in the Divisions of Marketing, Management, Manufacturing, Personnel or Insurance. There is an International Division as such, but the courses offered by it are mostly of the type of "Doing Business in (Iran)."

It should be noted, however, that during the past two years (1974-76), the number of "international" seminars offered and the number of participants doubled, reaching approximately 2,000 participants in 1975.

SPECIALIZED ORGANIZATIONS FOR SEMINARS

There are a number of specialized institutions which provide courses or seminars only in the various aspects of international management development. The World Trade Institute, for example, has a comprehensive set of such seminars, year-round. However, they are held only at the headquarters in New York City. Although there are a wide variety of seminars available, and many per year, the major problem of the World Trade Institute in recent years has been a drop in attendance. As a result, the Institute now finds itself at a crossroads.

Business International offers programs similar to those of the World Trade Institute, but has been in operation for a much longer time. It undertakes a wide variety of research projects in various aspects of international business operations, and has built up a fairly stable and broad level of support, particularly at the top management level. It holds seminars at many locations other than at its headquarters in New York City.

A lesser known source of seminars in international business are the 53 world trade clubs scattered in as many cities around the U.S. Each of these offers two to five seminars per year. Most of the seminars, however, are concerned with the practical aspects of importing and exporting.

PRE-DEPARTURE TRAINING

In 1974 Business International conducted a survey of 50 of the largest multinational corporations to determine their practices regarding training for overseas assignments. About 50% of the companies provided some type of pre-departure training. (This is more than was found by Baker and Ivancevich* in their study of about 120 large firms, in 1971, where they found that only about 33% provided pre-departure training). If one were to enlarge the number of firms studied to 1,000 or more, one would undoubtedly find that a *very* low percentage use predeparture training for executives going to an overseas assignment.

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* John Baker and John Ivancevich, "The Assignment of American Executives Abroad: Systematic, Haphazard or Chaotic?," *California Management Review*, Spring, 1971, pp. 39-44.

Business International's survey showed that most of the large firms which provide predeparture training do so in-house. They found a growing disillusionment with outside programs. Only 11 of the 50 firms indicated that they used outside programs regularly.

The major outside organizations which provide such pre-departure training are: (a) Berlitz, for language training; (b) Overseas Briefing Associates (NYC), whose programs are primarily cultural and specialize in whole-family preparation; (c) BCIU (American University), for both language and cultural training, with an emphasis on political and social factors; and (d) the "Key-Man Course" at the American Graduate School of International Management, which provides a balance between language and cultural training.

As indicated, a number of firms attempt to organize in-house training programs, usually making use of whatever talent is available at nearby universities. For example, when Caterpillar was about to send a number of its people to Japan, they utilized the resources of the Asian Studies Department at Bradley University. Many such cases (though not nearly enough) could be cited.

One of the major problems for pre-departure training is the short period of time between selection of individuals and their departure. The Baker and Ivancevich study referred to earlier found that 34% of the persons sent overseas had less than four weeks notice, another 17% had 4-8 weeks. Thus, over 50% had less than two months. This is barely sufficient for all of the other necessary preparations, and leaves little or no time for special training. The same study showed that, while language was considered the most important type of capability for an overseas assignment, also of great importance were, in descending order, a knowledge of the living conditions, economics, customs, business laws, and political structure of the country.

IN-HOUSE INTERNATIONAL MANAGEMENT DEVELOPMENT

A number of large companies have their own in-house management development programs. The Task Force is not aware of an extensive study of such programs. However, the evidence available suggests that very few of these programs have international management content. The Task Force survey on career patterns showed that only a third of the large multinational corporations surveyed had such training available.

CONCLUSIONS AND RECOMMENDATIONS

Most executive development programs organized by business schools have either very little or no international business content. It is difficult to determine from available sources just how much international business is taught in these programs. Also, although some business schools organize specialized seminars on international business, there is no source available to determine the location, content and timing of these.

1. *It is consequently recommended that the AIB undertake to develop a Directory of International Management Development Programs and arrange for a commercial publisher, such as Bricker, to publish it annually.* There should be a market for these among the business firms. Its existence would serve as an incentive to business schools to increase the international content of their executive development programs and to offer more specialized international business seminars.

2. The in-house management development programs of most business firms also contain little or no international management content. In addition, firms tend to allow insufficient time for employees for adequate pre-departure training prior to sending them to overseas posts. Both the regular in-house training programs and the special pre-departure training could be significantly enhanced by a closer working relationship between the company training department and nearby university resources, taking advantage of the faculty members with capability in international management, international affairs, area studies and languages. *Consequently, it is recommended that both the international business firms and the relevant faculties be urged to develop or broaden this type of working relationship.*

INTERNATIONALIZATION OF UNIVERSITY STUDIES

As indicated in the introduction to this report, it is not just the graduates of business schools who end up working for business, and eventually become involved either directly or indirectly in the international aspects of business. Business firms hire graduates from all parts of the university. Or, to put it the other way around, a graduate from any part of the university may either immediately, or later in his or her career, end up involved in the international activities of a business firm. One must consequently ask the general question regarding the extent to which university students in general receive an education which prepares them for this eventuality.

There are three general areas which the Task Force felt it would be useful to examine. The first is the study of foreign languages; the second is the possibility of studying abroad for a year during a regular degree program; and the third is the studying of "international" courses as part of a regular degree program.

LANGUAGE NEEDS FOR INTERNATIONAL BUSINESS

In his study of 254 international executives (half domestic and half overseas) John Ivancevich found that language training was considered the most important part of pre-departure training for managers going overseas. Business International found, in their 1974 study of how firms prepare executives for overseas posts, that 80% offer language training. In a previous study on developing management for the worldwide enterprise, Business International found that very few firms have developed any useful criteria for predicting success in selecting managers to send overseas. Most of the firms would agree however, with an opinion expressed at the time by Esso that, "Apart from the right wife and an ability to speak or learn foreign languages, all proposed criteria are unacceptable."

During 1974-75 a project, "Languages for the World of Work," was carried out by the Division of Manpower Development and Training, U.S. Office of Education. The project had four phases: (1) a search of the literature; (2) an analysis of employment opportunities involving language skills, within the government sector and throughout business and industry; (3) development of a model for proposed curricula, which would demonstrate the types of training techniques that could be employed for teaching foreign languages where such training was specifically focused as adjunct skills training for another profession or occupation; and (4) dissemination of the results[2].

The project has completed a 500-page bibliography of 337 annotated entries. It showed, among other things, that increased attention has recently been given to career-based foreign language education.

They identified 25,000 jobs in the federal government, not including the Department of Defense or the CIA, in which language skills were needed.

According to a GAO report, in 1970 the federal government spent more than $60 million on language training of personnel, many of whom had previous language study in public schools or universities, but not adequate for the job.

More than 6,000 business firms were surveyed. With only a 23% response rate, more than 60,000 jobs where language skill was required were identified in the 1380 responding firms. The comments which were written on the questionnaires revealed that many company officials feel that there is a definite need in the U.S., and particularly in the Midwest, to develop more interest in language training as our business becomes more and more international.

In 1975, a very interesting survey was conducted, in Illinois, to determine the level of usage, by business, of foreign language skills, and the trends in foreign language education. The researchers* found that 14% of the firms responding to the survey questionnaire deal with non-English speaking people abroad and 15% expect to do so during the next 5 years. However, 46% of these firms do not have employees with the necessary business skills and must depend on outside services by agencies or individuals. When asked the college areas from which they would like to recruit employees who also have a foreign language skill, the firms responded, in the following work order: (1) Marketing, (2) Management, (3) Accounting, (4) Finance, (5) Economics, (6) Engineering, and (7) Liberal Arts.

The researchers, in their survey of education, found that no high schools or junior colleges in the state required the study of foreign language. Eight out of eleven 4-year colleges do require it, and 10 out of 12 universities do so, in some departments or colleges.

However, there is a stronger trend toward dropping language offerings (79) than toward adding new ones (56). And, finally, the trend in enrollment in foreign language courses is down, at all levels.

These findings are consistent with national figures which, for example, show that 17% of the students in higher education were enrolling in the study of a modern foreign language in 1963, but by 1972 this figure had dropped to 10%.

It is clear, therefore, that while the need for competence in foreign language has been increasing, the trend of the number of college students studying language has been decreasing. This has had an effect on the thinking of foreign language faculty. There are many instances in recent years where they are coming out of their ivory tower to look for new ways to attract students and for new ways to respond to career-oriented demands. It appears that language departments are now more open than in the past to appeals to find new ways to package language instruction to respond to the needs of students who are not language majors and are not simply taking two years to satisfy a requirement, but wish to study a language for specific

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*Dr. Don Arnold, Prof. of Marketing, Northern Illinois Univ.,
Dr. Robert Morgenroth, Prof. of Foreign Languages, Northern Illinois Univ.,
Dr. William Morgenroth, Prof. of Marketing, Univ. of S. Carolina.

future needs.

At the same time, however, it would be negligent to lose sight of the larger picture. The political problems facing U.S. business in its international operations, whether for trade or export, are partly the result of a growing provincialism of the American citizenry. It may be convincingly argued that the drop of interest in and study of foreign languages is both a symptom of the increasing provincialism and a cause of future provincialism in the thinking, and voting, of the U.S. populace. This trend coincides with a trend toward relaxation of "requirements" by U.S. higher education during the past 10 years, as more and more universities dropped their requirements that students have studied a foreign language prior to entry into university, or prior to graduation.

It is clearly in the interest of business that this trend be reversed. It is also clearly in the interest of the government that this trend be reversed. One could also argue that the U.S. college student is, in 1977, much more receptive to a more highly structured program than was true in the late 1960's and early 1970's. Perhaps, therefore, the time has come to persuade universities to rethink the question of foreign language requirements.

STUDY ABROAD PROGRAMS

During the year 1961-62, approximately 16,000 U.S. students studied in foreign institutions of higher education. This increased at a rate of about 8% per year and reached 34,000 in 1971-72, although the rate of increase was closer to 10% during the last half of that period. No survey has been made by the IIE since 1971-72, but most indications are that since 1974 the number of Americans studying abroad has decreased. However, if one were to project the figures at 10% per year, the total for 1974-75 would have been 46,000. This might be compared to 220,000 foreign students studying in the U.S. that same year.

In previous sections of this report it has been noted that living abroad, whether on an internship program, a work program (such as the Peace Corps) or on-the-job work experience is the best way to learn a language to a level where it becomes "useful." It is also the best way to come to understand a foreign culture in such a way that one can, in the future, better communicate with people from foreign cultures. Hence, the study abroad programs are an extremely valuable experience for U.S. students who might, later in their careers, be working in a business firm. But the present rate of perhaps 50,000 per year represents only 0.5% of the total of U.S. students enrolled in higher education. Whatever can be done to encourage an increase in these numbers is clearly in the interest of business and, as noted in the preceding section, of government.

THE EDUCATED PERSON AND INTERNATIONAL STUDIES

In an extremely interesting occasional paper, "Internationalizing Higher Education: A United States Approach" published by the International Council for Educational Development, in 1974, Champion Ward, a program advisor in the International Division of the Ford Foundation, writes that, "It is time, therefore, for internationalism in higher education to be grounded in the very idea of a university . . ." (This citation was cited at the outset of this report.) In the same paper, Bertil Ostergren, chairman of the Swedish Committee for Internationalizing University Education, comments that, "At university level, international education must not be restricted to the training of certain groups of prospective international specialists. An international dimension should be introduced in all studies; all students will, in one way or another, become participants in international developments. And, the international dimension will, furthermore, make them better qualified to solve purely domestic problems." Mr. Ostergren adds that ". . . internationalism *is* the very idea of a university."

Earlier in this report, the Task Force noted that "a true *solid* training in a functional field (in a business school curriculum) should be understood to include the international dimension of that field." Similarly, with the above mentioned gentlemen, the Task Force concurs that a *true* university education should be understood to include the international dimension.

Education, in its essence, and by definition, should result in the elimination of provincialism. When a student graduates from a university without having had even one course on the history, economics, politics or culture of a foreign country, can we say that he has been educated? He is destined to be an uninformed citizen of a country which is the most powerful in the world. And, he is destined to be inadequately prepared to be a future manager in a high percentage of U.S. business firms.

CONCLUSIONS AND RECOMMENDATIONS

1. One must conclude, therefore, that it is in the interest of higher education per se, in the interest of the government of the leading country in the world, and in the interest of the business community, to increase the level of international education for all students in higher education. This can be achieved by encouraging or requiring all students to study a foreign language, by encouraging more students to take one of their years of learning to study abroad, and by encouraging or requiring all students to take courses about international affairs (politics, economics, history) or about the politics, economics, history and culture of a specific country or area in the world.

2. The study-abroad programs can be significantly enhanced through financial support by business and government and by governmental action in increasing the number of exchange programs which would appeal to the *students.*

3. The increase of study of languages and of "international" courses will be achieved primarily through a reversal of the past trend of reducing "requirements." There can be no stigma attached to this concept of requirement when the goal is the essence of education. "International" courses can easily fit within the present concept of distribution requirements for a degree. Universities can be encouraged to move in this direction through the accreditation process and through financial incentives to experiment with such new distribution requirements.

APPENDIX I

CONFERENCES ON BUSINESS & INTERNATIONAL EDUCATION

1. Robock, S. H. and L. C. Nehrt, (eds.), *Education in International Business*, Graduate School of Business, Indiana University, Bloomington, Indiana, 1964.

These are the proceedings of the first conference on education for international business held in the U.S. It was attended by deans or their representatives from more than 80 business schools. Papers were presented and discussed. The main topics were:

a) Why should business schools teach international business and what subject matter should be included?

b) How should the international dimension of business operations be integrated into business school curricula?

c) How should this international dimension be related to international studies in the rest of the university?

d) What are the needs for research and instructional materials in the field?

It should be noted that all participants at this conference were deans or professors of business schools, except for one representative of the U.S. Department of Commerce, one international businessman, and one director of an institute of public administration.

2. Education and World Affairs, *The Professional School and World Affairs; Business Administration*, Public Administration, EWA, New York, 1967.

After discussing the growing internationalization of business and the consequent need to educate future and present managers in the international aspects of business, this report reviews the degree to which some business schools had already responded, in courses, research and management development programs. Various levels and strategies of internationalization of business schools were discussed. The central theme of the report was that the schools had not faced up to the international aspects of their professional responsibilities. It then indicated that, in various ways, foundations and government had an obligation to help business schools to respond to the challenge.

(Note: All of the members of the Study Committee are academics except for one government official from HEW, and the President of the CED.)

3. Zeff, Stephen A., (ed.), *Business Schools and the Challenge of International Business*, Graduate School of Business, Tulane University, New Orleans, 1968.

These are the proceedings of a conference on international business education and was a follow-up to the EWA Report mentioned above. It was attended by deans or their representatives from 98 U.S. business schools and 11 Latin American schools. The main themes discussed were: (1) the place of international business in the business school curriculum; (2) overseas activities of business schools as a means of internationalizing the faculty and hence the curriculum; and (3) research needs in international business. (Note: all of the participants were deans or professors of business schools, except for one representative from a foundation, one international banker, and one international businessman.)

4. Otteson, Schuyler (ed.), *Internationalizing the Traditional Business Curriculum*, Bureau of Business Research, Indiana University, Bloomington, 1968.

This study, utilizing a committee of eight business scholars, studied four traditional functional areas—accounting, business policy, finance and marketing—and raised the following questions for each area: (a) Does an international dimension exist and should it exist? (b) To what extent and in what ways has the international consideration been added, through infusion, to existing courses in the curriculum? (c) To what extent and how has internationalization taken place through adding courses in functional areas vs. adding courses in international business?

5. U.S. National Commission for UNESCO, *Business and Education for World Affairs*, Washington, D.C., 1971.

A Business Task Force composed of 10 members also utilized a conference of 47 other representatives of business, academe and government, to discuss the needs of business for management personnel who possess a perspective which transcends national economies, a sensitivity to foreign cultures and alien environments, and a knowledge of international affairs. The report recommended that: (a) university and continuing education urgently needed to be reexamined to determine to what extent and in what ways the international dimension should be strengthened; (b) corporations might well evaluate their recruitment and promotional policies and their executive development programs to determine if, in fact, they are utilizing people who have a knowledge and understanding of world affairs; (c) The business community might consider increasing its support to educational and other organizations that have demonstrated an interest and capacity to develop and sustain relevant international programs and to engage in significant research; (d) schools of management, with the cooperation of the business community, should seek: (1) to strengthen the international dimension of faculty and curriculum development, 2) to initiate new research programs, 3) to improve programs of faculty and student exchange, 4) to strengthen and increase technical assistance to management education programs abroad, and 5) to improve programs of continuing education and post-experience training for international executives and overseas personnel.

6. U.S. National Commission for UNESCO, *Internationalizing Management Education*, Washington, D.C., 1973.

This report is the result of four regional conferences held during the Fall of 1972 at Indiana University, Georgia State University, University of Washington, and Tufts University. At each of these 40 to 50 academics and businessmen, plus several government officials, gathered to hear a series of papers on the needs and means of internationalizing management education. Each university produced a "proceedings" of the conference. These are summarized in the subject report.

While formal consensus was neither an aim nor an outcome of the conferences, there seemed to be fair agreement on several points: (a) Further communication between businessmen, business educators, and government officials, needs to be maintained and enhanced; (b) Both business organizations and business schools should look closely at the challenges facing them and devise explicit plans for the short and long-term future; (c) Business schools should move more vigorously to orient their activities to the new global perspectives, in terms of courses, faculty, research, and other projects; (d) A variety of institutions can and should contribute to meeting the educational needs of present and future American businessmen; (e) Specialized studies should be undergirded with potent liberal learning; (f) Both curriculum and teaching techniques should be radically revised to reflect an international perspective; (g) Collaborative institutional arrangements are an essential resource for achieving common goals. Interchanges of personnel between business and education, and between the U.S. and other countries, are essential; and (h) Enhanced collaboration between business and education, ranging from cooperative projects to financial support, is needed.

7. Held, Walter G., *The International Dimension of Management Education,* The Brookings Institution, Washington, D.C., 1975.

A group of 20 academics and businessmen met for three days in March 1975 to discuss the international dimension of management education. The principle conclusions were: a) Management education and development programs must respond more effectively to the need for broadly prepared, flexible, and socially responsible managers; b) The internationalization of business has so expanded international influences even on domestic business that all students of management should have a greater knowledge of these influences and how they affect business and management; c) Schools seeking distinction in management on a global scale should staff themselves and organize their programs to prepare qualified candidates for positions in MNCs; d) Faculty members in several ways can acquire the knowledge, experience and skills needed to deal with the globalization of business and to develop potential managers for International firms; and e) Corporations especially the MNCs, have a large responsibility for developing their recruits into qualified managers. To this end, in-service training and staff participation in special conferences and seminars are essential.

APPENDIX II

SURVEY OF COMPANY CEO'S

Survey questionnaires were sent out to both the Presidents and Chairmen of the top 100 industrial firms in the U.S., taken from the Fortune 500. Thus 200 questionnaires were mailed. Usable questionnaires returned totalled 73 (55 firms).

These were divided into three groups:

(A) Those individuals who had not had any international work experience;

(B) Those who had had international assignments in the U.S. headquarters offices, but had not had foreign assignments; and

(C) Those who had been assigned abroad for one year or more.

Group A—45 Individuals

Average age—56 ½ years
Average number of years with the company—30 years
Languages: 6 speak and read one language
  2 speak and read two languages
University degrees: 3 had no degree
  4 had LLB (or JD)
  13 had BBA (business admn. or accounting)
  3 had MBA
  14 had BS or MS in Engineering or Science
  8 had MA in liberal arts
In-house training programs: 10 of the 45 indicated that their company has an international training program.

Group B—15 Individuals

Average age—57 years
Average years with company—29 years
Languages: 3 speak and read one language
  2 speak and read two languages
Year assigned to international activities: varied from 2 to 8, average of 4.7
University degrees: 1 had no degree
  3 had LLB (or JD)
  2 had BBA
  3 had MBA
  5 had Engineering or Science
  1 had MA in liberal arts
In-house training programs: 6 of the 14 had in-house international training programs.

University preparation for international responsibilities: Besides language training, only 2 indicated that there had been international content in their university education (one in history courses–with an MA in History; one in comparative politics and international economics).

Management development programs: Only one had attended a management development program with international content—at the University of Michigan.

Group C—13 Individuals

Average age—56 ½
Average years with company—23
Languages: 7 speak and read one language
1 speaks and reads two languages
Years on overseas assignments: varied from 1 to 20; average of 6
University degrees: 1 had no degree
1 had LLB
4 had BBA
3 had MBA
3 had Engineering or Science
1 had BA in liberal arts

In-house training programs: Only 4 of the 13 companies had in-house international training programs.

University preparation for international responsibilities: except for language studies, none had university courses with international content.

Management development programs: Two persons attended the Harvard Advanced Management Program which, they felt, had some international business content.

SUMMARY

(1) There is no difference in the average age of the three groups.
(2) Group C has a somewhat lower average number of years with the company because three of the 13 individuals had joined their companies less than six years ago.
(3) As would be expected, in Group A only 18% had command of a foreign language; in Group B there were 33%; and in Group C, 62%.

(4) There were two significant differences in university education.

  (a) A degree in business administration or accounting:

    Group A——35%
    Group B——33%
    Group C——54%

  (b) A degree in liberal arts:

    Group A——18%
    Group B—— 6%
    Group C—— 6%

(5) Of the total group of 73 respondants, 20% had had domestic assignments with international responsibilities averaging 4.7 years, while 18% had had overseas assignments, giving a total of 38% who had had international responsibilities during their careers.

(6) Of the 28 individuals who had had international responsibilities, only two (7%) felt that any of their university courses had helped to prepare them for it, and only three (11%) had attended a management development program with international content.

(7) Only 19 of the 55 firms (35%) have in-house training programs to prepare people for international activities.

(8) All except two of the responding firms, hence 95%, have extensive international activities.

(9) Just 25% of the respondents had spent five or more years in the international division of their company or on an overseas assignment. This compares to 20% for a similar survey taken in 1965 and 2% for a 1955 survey.

Sorry to take your time away from company matters, but the completion of the questions below should not require more than 2 or 3 minutes.

Our Task Force (made up of businessmen, academics and government officials) is studying ways in which higher education might better respond to the growing international activities of American business, and your response to the questions will be very helpful to a portion of the overall study.

Nations Business published a survey in 1966 which showed that, in 1950, only several of the presidents of the country's 100 largest industrial firms had ever worked in the international (or export) division of a company. By 1965, 20% had spent 5 or more years in the international division or overseas. They surmized that by 1975 this figure would have passed 50%. This is one of the points we wish to ascertain.

If you are interested in the results of this survey, please check here ______ and I shall send you a copy. At no time will your name or the name of your company be mentioned in this research.

Thank you very much for your help.

Sincerely,

Lee C. Nehrt
Chairman

1. Your age?________
2. Your educational background?________ not college graduate; or, please give degrees and field of study: ________________
3. Do you read or speak any foreign languages? If so, which? ________
4. How many years have you been with your present company? ________
5. During your career, how many years, if any, did you spend in a staff or line assignment with a company outside the U.S.? ________
6. How many years, if any, were you assigned to the international (or export) division of a company, but stationed in the U.S.? ________
7. Have you worked abroad with a governmental or international organization? If so, which? ____________ How many years? ________

IF YOU HAD A POSITIVE RESPONSE TO 5, 6, or 7, PLEASE ANSWER 8 and 9.

8. Did any of your university studies prepare you for your "international" assignments? If yes, which courses? ________________
9. Have you attended any management development programs which helped prepare you for your "international" assignments? If yes, where did you attend such a program? ________________
10. Does your company have any in-house training programs to specifically prepare people for work in the "international" activities (domestic or foreign) of the company? ________ yes; ________ no.

Please return entire sheet to: Professor Lee C. Nehrt
College of Business
Wichita State University
Wichita, KS 67208

APPENDIX III

CAREER PATTERNS SURVEY

Nine companies were selected for the survey: Exxon, Citibank, G E International, Alcoa, Caterpillar, Cummins, Eli Lilly, I B M World Trade Corporation, and Proctor and Gamble. In each company, ten persons were selected: 4 top managers, 3 middle managers, and 3 lower managers. Each of the persons selected had had at least one assignment overseas and (or) with international responsibilities in the U.S. headquarters offices. Each person was asked to complete a questionnaire (copy is attached) and return it to the company coordinator, who assumed responsibility for assembling them and returning them to the Task Force.

To date, six companies have responded, with 56 usable questionnaires.

The main purpose of the survey was to determine whether, in fact, large international companies tend to use management development programs with international content, or specific international management seminars, to prepare managers for overseas assignments or for international duties in the home office. Subsidiary purposes were to determine how much international education these persons had had at university, and whether there was a company policy of rotating future top managers through international assignments on their way to the top.

General Findings

Only 18 of the 56 persons had any kind of management development programs or seminars with international content during their careers, either outside the company or in-house. Of these, 9 had had some international courses at the university. There were 6 others who had international courses at the university. Thus, 24 had international training of one kind or another. The other 32 had to rely on self-teaching and on-the-job learning.

I B M, G E International and Caterpillar have in-house management development programs with international content; the others do not.

Only I B M appears to have some relationship between international management development and some current or coming company assignment where it might be needed. For the others, (and to a large extent for I B M also), the only visible correlation was that the individual was about to be promoted to middle or top management and it was felt that a management development program would be good preparation for the next level of responsibility. It just happened to have some international content.

None of the six companies has a policy of rotating people through international assignments on their way to the top. Only I B M - WTC has an explicit practice of doing so.

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

Career Patterns Questionnaire (background and instructions)

The American Council on Education received a grant from the Exxon Foundation to carry out a study on "Business and International Education." With a six-month time schedule, two task forces were appointed, each composed of about five international businessmen, five government officials and five academics. The general purpose is to determine what higher education might do to better serve the needs of business, given the growing international aspects of business. We are undertaking a series of eleven studies to develop a stronger data base for our deliberations.

One of the studies (this one) concerns career patterns of senior and middle management in firms with significant international operations. Ten firms have been selected and we wish to review some aspects of the career patterns of 10 individuals in each firm. We are basically interested in three factors: (1) the amount and timing of international experience (if any) of each individual; (2) the international aspects of the individual's education (at university and mid-career); and (3) company management development policy.

We should like to ask you to complete one of the enclosed questionnaires on each individual and return it at your earliest convenience. The individual's name is not needed, but his present title would be.

Complete confidentiallity is assured. At no time will the resultant data be identified with the company. It will be aggregated in reporting on the results.

American Council on Education

INTERNATIONAL EDUCATION PROJECT

WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

Career Patterns Questionnaire

1. Present title ____________________ Age __________
2. Foreign language capabilities, if any. ____________________
   Where and how were they learned? ____________________

Educational Experience

3. University degree(s) __________; year of graduation __________
   __________; year of graduation __________
4. Field(s) of study ____________________
5. If any of the university education was "international" in character, (international economics; international relations; the history, politics, economics or geography of foreign areas; language; etc.) please indicate:
   ____
6. Has he participated in executive development courses on international business subjects, or which had international business content, since beginning his business career? Please specify where the course was given, the type of international business content, number of days involved, and the year it took place: ____________________
7. Does the company have in-house management development programs with international content? ________ If yes, please indicate if the individual has participated in any of those. ____________________

Work Experience

8. Please indicate the job titles of the individual since the beginning of his business career. Underline in red those which involved international activities. If any were in a foreign country, please indicate the country.
   Title ____________________ Years ____________________
   Title ____________________ Years ____________________

Company Policy

9. Is there a company policy on management development which specifies that individuals are to be given foreign or international division

experience at some point(s) in their careers? ________ If yes, please indicate the contents of that policy statement in abbreviated form.

____

____

Thank you very much for your help. Please return the questionnaire to: Prof. Lee C. Nehrt, W S U College of Business, Wichita, KS 67208

APPENDIX IV

THE DELPHI PROCESS

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

10 February 1976

You will recall from our earlier correspondence that, as a member of the Advisory Task Force on Business and International Education, you are to be initially involved in a Delphi process. Attached is the first of three rounds.

Please read the attachments, the instructions and the questions; take 10 minutes to think about it; let your subconscious mull it over for 24 hours; then put down your responses and mail the answer sheets to me.

Your responses will be consolidated with those of the other 30 persons involved in this Delphi process, and synthesized. The results will be sent to you for the 2nd round, to serve as feedback.

You are participating with a group made up of a company president, international vice presidents, personnel managers, college presidents, business school deans, professors, and government officials. The Delphi process permits you to communicate with each other on a non-emotional basis, not influenced by tone of voice or status, but only by ideas.

Please return the response sheets within several days after you receive them so that we shall have time to synthesize the responses and get the 2nd round out to you on schedule. The deadline for my receipt of your response is February 20th.

With best regards.

Sincerely,

Lee C. Nehrt

jag

Attachments

Delphi Process—First Round

General Instructions:

During the past 20 years, a major change in American business has been its growing international involvement: the growth and spread of MNCs; the increase of numbers of firms which have some foreign subsidiaries; the growth of companies involved in exporting and importing; a decrease in tariffs, putting smaller manufacturers, wholesalers and retailers into closer touch with foreign sources; and international agreements on commodities and currencies which affect the entire business community.

The above changes meant that managers had to deal with people from different cultures and different political and economic regions. They had to learn to understand what was happening in foreign countries, and internationally, in order to anticipate potential problems. Some managers were successful in adapting to and dealing with these changes; others were not so successful. What capabilities and characteristics were evidenced in the successful managers?

During the next 20 years, the international involvement of American business will continue to change. Hopefully, we are now better able to predict the coming changes than we were in 1955.

The enclosed article, "A View of the Economic World of 1990," is an address by Herman Kahn, at a 1972 White House conference. We are not all fans of Herman Kahn, but this is one possible scenario. In any case, it seems clear that the trends of the past 20 years, noted in the first paragraph above, will continue. Overlaid on these past trends will be new trends. The developing countries are becoming more activist, requiring more delicacy in negotiating and renegotiating investment agreements. The UN is moving into the area of review and eventually some control of foreign investment. Eastern Europe, the USSR, and China are opening up to more trade and varying types of investments. The Arab countries have just entered an era of new, great opportunities in trade and investment.

In this first round you are asked to think through the increasing international involvement of the business world over the next twenty years and envisage the kinds of skills and characteristics which will be more desirable in managers–lower, middle and top, as well as the best way and time for them to acquire each skill and characteristic.

Please reread *all* the questions before writing in any responses.

Your "comments" on questions #2 through #7 will be most valuable. Through them you will influence other members of the Task Force on the 2nd round.

Question #1

Business firms have varying needs for individuals with international business skills ranging from the new entrant (recently matriculated with a bachelor's or masters degree), to the mid-career executive, to top management. Some of these needs are for specialized skills in international business (accountants, financial analysts, marketing specialists, etc.), while others are for generalists in international business (area studies experts, political analysts, cultural experts, policy makers, general managers, etc.).

Referring to the table on the next page, would you please focus first upon the need for specialized skills followed by an indication of how you feel these skills can best be acquired to meet the requirements of international business. Also please rank these skills in terms of how important you think they are to the successful operation of international firms. Finally, indicate whether you think that the need for each skill, over the next decade, will be growing or decreasing. Then do the same for the generalist skills.

Question #1 (continued)	What method of training do you consider best for the acquisition of each skill? If more than one method is checked, please rank order them (1, 2, 3, etc.) for each skill.					How important do you consider each skill to be? If several are considered very important, please rank order them (1, 2, 3, etc.).			Please indicate whether you think there will be a growing or decreasing need for each skill.	
Specialized Skills	during university studies	domestic on-the-job experience	in-house company training programs	specialized executive development programs	overseas experience	very important	important	not important	growing	decreasing
1. international business finance										
2. international marketing										
3. international accounting										
4. international labor relations										
5. international business law										
6. international transportation										
7. importing & exporting techniques										
Generalist Skills										
1. working knowledge of a foreign language										
2. knowledge of the economy, politics, business practices and culture of a foreign country or region										
3. knowledge of U.S. foreign policy										
4. knowledge of international politics										
5. knowledge of international organizations (U.N., GATT, IMF, etc.)										
6. international management skills										
7. international negotiating techniques										

2. Most business firms (purely domestic as well as MNCs) will be affected directly or indirectly by economic and political developments in the international scene, and most businessmen will therefore need an ability to understand and anticipate those effects.

strongly agree	slightly agree	neutral	slightly disagree	strongly disagree

Comment:

3. During the coming decade, companies venturing overseas on their first few investments will tend to send a larger number of American technical and managerial personnel than is true for the sophisticated MNCs.

strongly agree	slightly agree	neutral	slightly disagree	strongly disagree

Comment:

4. Professional training and retraining can be provided at various times during the businessman's career, but it is much easier to teach people the "global view" and a true understanding of foreign politics, economics, and cultures when they are at the university than when they are middle managers.

strongly agree	slightly agree	neutral	slightly disagree	strongly disagree

Comment:

5. The best time to provide the international training needed by middle and top managers is in executive development programs, rather than during their university education.

strongly agree	slightly agree	neutral	slightly disagree	strongly disagree

Comment:

6. What business will need are graduates with solid training in an immediately useful field such as marketing, finance or accounting. They can learn all of the international aspects of business on the job.

strongly agree	slightly agree	neutral	slightly disagree	strongly disagree

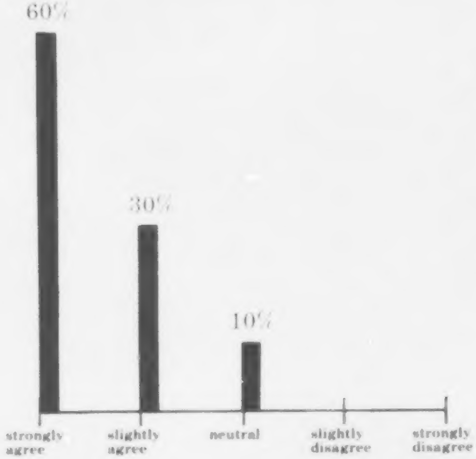
Comment:

7. What changes would you suggest in the general pattern of business school curricula to better educate students for future international business responsibilities?

Please return to: Prof. Lee C. Nehrt, College of Business, Wichita State
University, Wichita, KS 67208

Question #1 (continued)	What method of training do you consider best for the acquisition of each skill? If more than one method is checked, please rank order them (1, 2, 3, etc.) for each skill.					How important do you consider each skill to be? If several are considered very important, please rank order them (1, 2, 3, etc.).			Please indicate whether you think there will be a growing or decreasing need for each skill.	
Specialized Skills	during university studies	domestic on-the-job experience	in-house company training programs	specialized executive development programs	overseas experience	very important	important	not important	growing	decreasing
1. international business finance	61%	---	---	11%	28%	79%	21%	---	95%	5%
2. international marketing	32%	10%	---	5%	53%	84%	16%	---	100%	---
3. international accounting	65%	10%	10%	---	15%	26%	74%	---	90%	10%
4. international labor relations	6%	11%	---	33%	50%	42%	53%	5%	100%	---
5. international business law	68%	5%	---	10%	17%	31%	53%	16%	95%	5%
6. international transportation	5%	27%	16%	16%	36%	5%	53%	42%	75%	25%
7. importing & exporting techniques	6%	28%	17%	22%	28%	16%	58%	26%	80%	20%
Generalist Skills										
1. working knowledge of a foreign language	74%	---	---	5%	21%	58%	42%	---	85%	15%
2. knowledge of the economy, politics, business practices and culture of a foreign country or region	56%	---	---	11%	33%	90%	10%	---	100%	---
3. knowledge of U.S. foreign policy	53%	---	---	47%	---	16%	79%	5%	80%	20%
4. knowledge of international politics	65%	---	---	15%	20%	26%	69%	5%	95%	5%
5. knowledge of international organizations (U.N., GATT, IMF, etc.)	62%	---	---	33%	5%	10%	80%	10%	85%	15%
6. international management skills	62%	---	---	28%	36%	87%	10%	6%	95%	5%
7. international negotiating techniques	5%	---	5%	35%	55%	47%	42%	11%	95%	5%

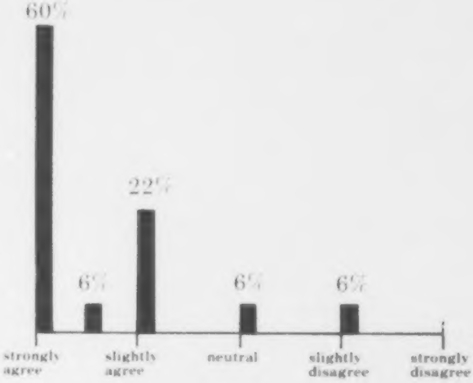
2. Most business firms (purely domestic as well as MNCs) will be affected directly or indirectly by economic and political developments in the international scene, and most businessmen will therefore need an ability to understand and anticipate those effects.



Comment:

The only comment which indicated some degree of dissent was the reservation that the vast number of small businesses in the U.S. would not need to have this concern.

3. During the coming decade, companies venturing overseas on their first few investments will tend to send a larger number of American technical and managerial personnel than is true for the sophisticated MNCs.



Comment:

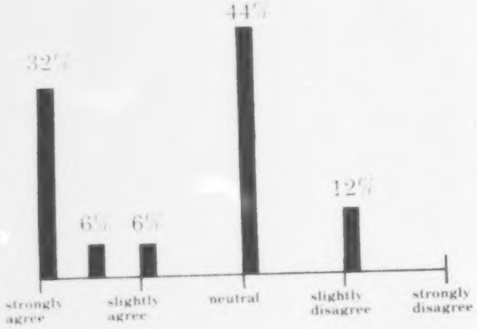
Pro:

10 times	(a)	Americans will be sent initially but may be phased out over time. The experience of MNCs and pressures from host governments will cause the reductions.
10 times	(b)	MNCs are reducing numbers of Americans abroad because they have learned how to operate with nationals. New companies will have to go through the same learning experience.
8 times	(c)	New foreign investors will want to send their own people abroad partly to give them the experience, so they will be more capable of managing the growing international activities of a firm in the future.
8 times	(d)	There may be qualified nationals available, but such companies will have difficulty finding them. Also, because of lack of experience, such companies will not trust the use of nationals for any sensitive posts.
5 times	(e)	The statement is particularly true in that the new foreign investors will likely have to take minority equity positions and will thus wish to put their own able people in for start-up and effective management.
4 times	(f)	The important factor is sending people abroad for operating experience to prepare them for home office responsibility.

Neutral:

4 times	(a)	The exception will be joint ventures where there is adequate management and technical talent in the host country.

4. Professional training and retraining can be provided at various times during the businessman's career, but it is much easier to teach people the "global view" and a true understanding of foreign politics, economics, and cultures when they are at the university than when they are middle managers.



Comment:

Pro:

7 times (a) Early exposure to the basics is essential while the person's value system is still in its formative stages.

4 times (b) Actually the "global view" is best taught *before* college, providing a framework for learning international politics and economics in college.

Neutral:

11 times (a) Learning is accelerated when the individual has a mission. The role of the university would be to provide methodology for learning and to understand specific subjects, which later become relevant to the individual through experience and tasks.

6 times (b) One has more time at the university, but the attention and interest is greater for the manager *facing* international business problems.

6 times (c) A global perspective must be developed early, reinforced in college and professional school, and again in executive development programs.

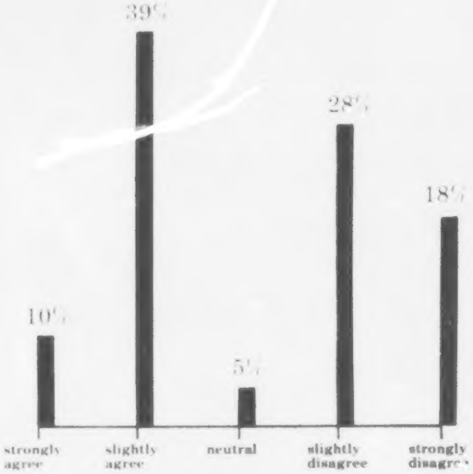
5 times (d) An executive able to develop a true global view will have had an undergraduate education that has been liberalizing i.e., includes an international perspective.

3 times (e) A global view may be taught but true understanding is through experience.

Con:

4 times (a) The "global view" and true understanding require maturity. The international scene is changing too rapidly; persons will have to learn as they take on international responsibilities downstream in their career paths.

5. The best time to provide the international training needed by middle and top managers is in executive development programs, rather than during their university education.



Comment:

Pro:

8 times	(a)	This is particularly true for the learning of specific skills and management practices.
6 times	(b)	It is the only time when there is a legitimate and pressing need to know—which greatly enhances learning.
4 times	(c)	The average undergrad or MBA student is too far removed from international responsibilities for effective education to take place.

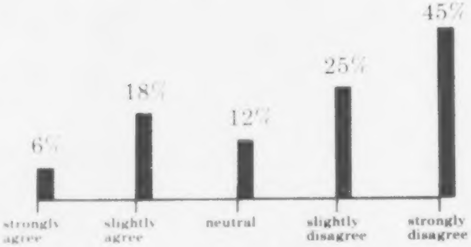
Neutral:

4 times	(a)	The learning coefficient is greater after some company experience, but rarely will the company donate *sufficient* time.

Con:

15 times	(a)	A combination is required—broad international training at the university reinforced with specifics at mid-career, as needed for the job.
9 times	(b)	Executive development programs are best for narrow topics of immediate interest, such as "How to do business in the Middle East." The broader training is best done at the university, either pre-career or at night school in mid-career.
5 times	(c)	It may not be effective if the foundation was not laid during university years.

6. What business will need are graduates with solid training in an immediately useful field such as marketing, finance or accounting. They can learn all of the international aspects of business on the job.



Comment:

Pro:

6 times (a) This is a useful approach, although they should have *some* international background somewhere to get them identified with and started in the international area.

4 times (b) This reflects current career paths in business. A person normally works up the ladder in a given functional area and then takes on broader responsibilities or international responsibilities. When this begins to happen, the bright young manager will begin to educate himself and the alert company will begin to provide the opportunities for international education.

Neutral:

8 times (a) Solid training in an immediately useful field does not exclude concurrent training in world affairs or international business.

4 times (b) There is a need for exposure to the humanities to predispose a receptiveness on the part of the individual for later learning experience.

Con:

6 times (a) Middle and upper management require people who are broadly trained; not narrow technicians.

6 times (b) True "solid" training in a functional field should be understood to include the international dimension of that field.

4 times (c) It is not likely that a person will be able to learn all the international aspects of business on the job *in a reasonable length of time and without making serious errors.*

4 times (d) There is neither the time nor the intellectual "climate" on the job to develop the necessary knowledge, perspective and sensitivity.

4 times (e) The reverse is more nearly valid: one can learn much of the "practical" operational skills on the job, but one cannot learn international dimensions without some structured educational inputs.

7. What changes would you suggest in the general pattern of business school curricula to better educate students for future international business responsibilities?

Your responses:

9 times	(a)	Need more faculty with international business *experience.*
8 times	(b)	Need more cases in international business, in development and in international politics and international economics.
7 times	(c)	Students should be given foreign experience, e.g., study-year abroad; but it is best if they are overseas in a problem-solving situation, like AIESEC, forcing them to practice both personal and technical skills.
7 times	(d)	Use of case studies, in functional and policy courses, which require application of intercultural and international knowledge and understanding.
6 times	(e)	International business is not domestic business with an overlay of a different environment. There are distinct and separate skills involved, which are not taught by simply putting a domestic problem in an international setting via a case study.
5 times	(f)	A foreign language is a must if the individual plans to go into international business. If he knows one foreign language, he can learn another much more efficiently.
5 times	(g)	The Business and Society courses now being required in many programs should take a more generic approach to the interaction between the business firm and society.
5 times	(h)	Present functional courses can be internationalized by using international cases and examples and through the introduction of a few international variables, but not at the expense of a solid grounding in the functional areas.
5 times	(i)	All Ph.D. candidates in business must have some background in international business to be able to internationalize the functional courses during their teaching career.
5 times	(j)	Need better courses in international economics, as distinct from international business, to give the framework for continuing, on-the-job education.
5 times	(k)	Need a reduced emphasis on making mathematical models to explain things which may be explained much more efficiently in simple English. Foreign, as well as U.S. businessmen, are quickly turned off when young graduates throw models at them.
4 times	(l)	Bring more practitioners into the classroom.
4 times	(m)	*All* MBA's should have an international environment or comparative management course.
3 times	(n)	Need for negotiation simulation to expand the individual's patience and willingness to compromise.

APPENDIX V

SURVEY OF BUSINESS SCHOOL DEANS

In the 1975-76 AASCB Membership Directory there were 494 educational institutions listed in the United States. Questionnaires (copy at end of this appendix) were sent to each of these. Of the 178 accredited institutions, usable responses were received from 136 (76.4%), and of the 316 non-accredited, usable responses were received from 205 (64.9%). The results on each of the questions are tabulated below.

Question #1 (a): What is your opinion as to the desirability of instituting *summer workshops in international business, for faculty members,* in various parts of the country, in the following several years?

		Accredited			Non-Accredited	
	Score	# Marked	%	Score	# Marked	%
Useless	0	0	0	0	0	0
Of Little Value	1	5	3.7	1	3	1.5
Ambivalent	2	13	9.6	2	19	9.3
Desirable	3	74	54.4	3	108	52.7
Highly Desirable	4	43	31.6	4	72	35.0
	No Response	1 136	0.7 100	No Response	3 205	1.5 100

Question #I (b): How many members of your faculty would you encourage to attend such a workshop, over a three-year period?

Accredited			Non-Accredited		
Number of Faculty	Number Marked	Percentage	Number of Faculty	Number Marked	Percentage
0	3	2.2	0	4	2.0
1	13	9.5	1	32	15.6
2	24	17.6	2	55	26.8
3	54	39.7	3	65	31.7
4	5	3.7	4	11	5.4
5	4	2.9	5	8	3.8
6	12	8.8	6	11	5.4
7	2	1.5	7	1	.5
8	2	1.5	8	2	1.0
9	4	2.9	9	1	.5
10	1	.8	10	3	1.5
12	1	.8	No Response	12	5.8
15	2	1.5		205	100.0
20	1	.8			
No Response	8	5.8			
	136	100.0			

Question #I (c): How many of your faculty would you provide with a summer grant to attend such a workshop, over a three-year period?

Accredited			Non-Accredited		
Number of Faculty	Number Marked	Percentage	Number of Faculty	Number Marked	Percentage
0	70	51.5	0	107	52.2
1	19	14.0	1	24	11.7
2	10	7.4	2	19	9.3
3	14	10.3	3	17	8.3
4	2	1.5	4	2	1.0
5	2	1.5	5	0	0
15	1	0.7	6	1	0.5
No Response	18	13.1	10	1	0.5
	136	100.0	No Response	34	16.5
				205	100.0

Question #II (a): What is your opinion as to the desirability of instituting a program of faculty internships in international business?

	Accredited			Non-Accredited		
	Score	Number Marked	Percentage	Score	Number Marked	Percentage
Useless	0	0	0	0	0	0
Of Little Value	1	2	1.5	1	2	1.0
Ambivalent	2	7	5.1	2	4	2.0
Desirable	3	65	47.8	3	101	49.2
Highly Desirable	4	62	45.6	4	97	47.3
	No Response	0	0	No Response	1	0.5
		136	100.0		205	100.0

Question #II (b) (1): Have you attempted to implement faculty internships in business at a local level?

Accredited			Non-Accredited		
	Number Marked	Percentage		Number Marked	Percentage
Yes	51	37	Yes	77	38
No	74	55	No	112	55
No Response	11	8	No Response	15	7
	136	100		205	100

Question #II (b) (2): In commenting on the question of whether the use of faculty internships in business has been attempted at a local level, the following answers were the most frequent:

Accredited schools

Comments	*Frequency*
Yes, with favorable results;	13 times
Yes, but with mixed results;	8
Particularly good in accounting;	7
There is a lack of interest in the business community;	7
Yes, but with unfavorable results;	5
Lack of faculty interest;	4

Non-accredited schools

Yes, with favorable results;	28 times
Tried, but poor response from business;	15
Our university is too young;	7
Summer programs only;	4
Mild success;	4

Question #III (a): What is your opinion of having a visiting foreign professor on the faculty each year?

	Accredited			Non-Accredited		
	Score	Number Marked	Percentage	Score	Number Marked	Percentage
Useless	0	1	0.8	0	0	0
Of Little Value	1	16	11.7	1	17	8.3
Ambivalent	2	35	25.7	2	59	28.8
Desirable	3	58	42.6	3	79	38.5
Highly Desirable	4	24	17.6	4	47	22.9
	No Response	2	1.6	No Response	3	1.5
		136	100.0		205	100.0

Question #III (b): In the past five years, how many (if any) visiting foreign professors have you had on the faculty?

Accredited			Non-Accredited		
Number of Faculty	Number Marked	Percentage	Number of Faculty	Number Marked	Percentage
0	66	49	0	166	81.0
1	24	18	1	24	12.0
2	13	9	2	6	2.5
3	18	13	3	2	1.0
4	3	2	4	1	0.5
5	4	3	5	0	0.0
6	2	1	6	1	0.5
7	1	1	No Response	6	2.5
10	1	1		205	100.0
12	1	1			
15	2	1			
20	1	1			
	136	100			

Question #III (c): What is the probability of your obtaining a continuing budget line for a visiting professor?

		Accredited			Non-Accredited	
	Score	Number Marked	Percentage	Score	Number Marked	Percentage
No Possibility	0	28	20	0	55	27
Unlikely	1	54	40	1	97	47
Possible	2	39	29	2	44	21
Highly Probable	3	12	9	3	6	3
	No Response	3	2	No Response	3	2
		136	100		205	100

Question #IV (a): Has your faculty taken steps, as yet, to meet the new AACSB standard on internationalization of the curriculum?

Accredited			Non-Accredited		
	Number Marked	Percentage		Number Marked	Percentage
Yes	102	75	Yes	141	69
No	26	19	No	59	29
No Response	8	6	No Response	5	2
	136	100		205	100

Question #IV (b): What strategy, to meet the new standard, is being followed, or is likely to be followed, at your school?

	Accredited		Non-Accredited	
	Number Marked	Percentage	Number Marked	Percentage
1. A semester (or quarter) course in international business becomes a part of the required "core" courses;	19	14	39	19
2. Where a school has courses in Int'l Marketing, Int'l Finance, Int'l Management, and Int'l Accounting, students must select one of these, according to their interests or major field of study;	18	13	45	22
3. The required core courses of "Business and Society" and "Business Policy" are internationalized in their approach and content;	69	51	90	44
4. Each of the functional core courses has an "international" portion inserted in it;	62	46	66	32
5. Each of the functional core courses is taught from a "global" viewpoint;	39	29	35	17
6. No response	9	7	16	8

Question #IV (c): If strategies (3), (4), or (5) are followed, what steps are being taken to assure that each faculty member has the requisite background to internationalize his course? The following responses were received:

Accredited schools	*Frequency*
We leave it to the individual to develop his own capability through self study;	34
Through careful selection in recruiting;	19
A committee on international management to review courses syllabi;	13
We encourage travel abroad;	10
Through workshops, seminars, and symposia;	9
Team teaching with international business faculty or from area studies;	5

Non-accredited schools	
We carefully select the faculty to teach those courses;	37
We encourage individual study;	14
Encourage attendance at seminars and workshops;	13
Encourage foreign travel and study;	13
Encourage membership in appropriate professional organization;	4

AMERICAN COUNCIL ON EDUCATION
TASK FORCE QUESTIONNAIRE

I. During the summers of 1964-67, Professor John Fayerweather, at New York University ran workshops for faculty members who were responsible for development of international business programs at their business schools. They varied from 2 to 4 weeks in length and were subsidized by foundation and corporate contributions. The workshops gave professors and deans a grasp of the main dimensions of education for international business including considerable exposure to multinational firms, via field research.

(a) What is your opinion as to the desirability of instituting similar workshops, in various parts of the country, in the following several years?

Please check:

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

(b) How many members of your faculty would you encourage to attend such a workshop, over a three-year period? ________

(c) How many members of your faculty would you provide with a summer grant to attend such a workshop, over a three-year period? ________

II. You are familiar with the Sears fellowship program which permits faculty members to work in government for a year. It may be possible to institute a similar program making it possible for faculty members to work in the "international" operations of a business firm, thereby gaining field experience as an adjunct to their research and teaching in international business.

(a) What is your opinion as to the desirability of instituting such a fellowship program?

Please check:

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

(b) Have you attempted to implement faculty internships in business at a local level and, if so, what has been your experience? Please comment.

III. A visiting professor from abroad is one way of injecting an international flavor into the curriculum and into the faculty ambience.

(a) What is your opinion of having a visiting foreign professor on the faculty each year?

Please check:

useless	of little value	ambivalent	desirable	highly desirable

(b) In the past five years, how many (if any) visiting foreign professors have you had on the faculty? ______

(c) What is the probability of your obtaining a continuing budget line for a visiting foreign professor?

Please check:

No Possibility	Unlikely	Possible	Highly Probable

IV. In April, 1974 the AACSB Accreditation Council approved a change in the accreditation standards, stating that "The purpose of the curriculum shall be to provide for a broad education preparing the student for imaginative and responsible citizenship and leadership roles in business and society—domestic and worldwide."

(a) Has your faculty taken steps, as yet, to meet this new standard?

______ Yes ______ No

(b) In an article in the September, 1974 issue of *International Dimension*, "A Commentary on the Internationalization of the AACSB Accreditation Standards," there were, mentioned, various strategies which a business school might follow to assure compliance with the new standard. Which strategy is being followed, or is likely to be followed, at your school? Please check:

______ 1. A semester (or quarter) course in international business becomes a part of the required "core" courses.

______ 2. Where a school has courses in International Marketing, International Finance, International Management, and International Accounting, students must select one of these, according to their interests or major field of study.

______ 3. The required core courses of "Business and Society" and "Business Policy" are internationalized in their approach and content.

________4. Each of the functional core courses has an "international" portion inserted in it.

________5. Each of the functional core courses is taught from a "global" viewpoint.

(c) If strategies (3), (4), or (5) are followed, what steps are being taken to assure that each faculty member has the requisite background to internationalize his course? ________________________________

Please return to: Professor Lee C. Nehrt, College of Business,
Wichita State University, Wichita, KS 67208

Name of your university? ____________________

APPENDIX VI

DBA SURVEY QUESTIONNAIRE

We often talk about the need to internationalize the entire curriculum of business schools. Yet, this will probably never be accomplished until most new entrants into business faculties have sufficient international background to be able to internationalize the various "traditional" courses, which are now being taught from a purely domestic viewpoint.

There is no data on the extent to which new DBA's (or Ph.D's) have been exposed to international business. Our Task Force is surveying the twenty-five largest business doctoral programs to answer this question.

We would very much appreciate your asking a graduate assistant to go to the files in your doctoral program office and examine the transcripts for those graduates who obtained their degrees in 1969, 1972, and 1975 to note, for each, whether during his *graduate* studies he had 0, 1, 2, or 3 courses in international business, or a minor or a major in the field. The graduate assistant can then fill in the table below. This should not take him more than several hours.

Could you get this back to me within two weeks? I shall sincerely appreciate your help on this.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

	1969	1972	1975
total number of graduates receiving DBA or Ph.D			
number with a major in international business			
number with a minor in international business			
number with no international business courses during *MBA and doctoral* studies			

number with only one international business course ______ ______ ______

number with two international business courses ______ ______ ______

number with three or more international business courses ______ ______ ______

Return entire page to:
Professor Lee C. Nehrt
College of Business
Wichita State University
Wichita, KS 67208

APPENDIX VII

SURVEY OF ADVISORY COMMITTEES ON INTERNATIONAL BUSINESS

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

9 February 1976

The American Council on Education has established this Task Force to study the steps which higher education might take to better respond to the growing international operations of business firms.

One area in which we are interested, and on which there is no data, is the use of committees of international businessmen, to serve in an advisory capacity to the international business programs of business schools. We are also concerned with the international content of executive development programs.

Could I ask you to take several minutes of your time to respond to the questions below, relative to these matters.

Thank you very much for your help.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

1. How many international business courses are taught at your school?________
2. How many faculty members are involved in teaching these courses?________
3. Do you now have or has there ever been an advisory committee of international businessmen for the international business program? ________yes; ________no.
4. If "yes", please discuss the following: (a) number of and method of selection of members of the committee; (b) how the committee is used;

(c) how often it meets; and (d) your appraisal as to the real utility of such a committee. ____

5. Does your school run executive development programs? ________ yes; ________ no.
6. If yes, do any of them have any international business content? ________ yes; ________ no.
7. If yes, what percent of each program is international? (please put details on back of page.)

Please return entire page to: Prof. Lee C. Nehrt
College of Business
Wichita State University
Wichita, KS 67208

APPENDIX VIII

SURVEY OF AIESEC ALUMNI

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

April 10, 1976

I do hesitate to take your time with yet another questionnaire, but it should not take you more than about three minutes to complete it. Your response will be very important to the work of our Task Force.

This Task Force was established by the American Council on Education to study the ways in which universities and other organizations might better educate people, given the growing international aspects of business. AIESEC is one of the interesting programs available to students and we would like to learn what effect, if any, your AIESEC experience had on your subsequent work experience.

The AIESEC-USA office in New York gave me your name and address. You are one of our small sample of AIESEC alumni and it is, therefore, important that we have your response.

We look forward to the return of the questionnaire at your earliest convenience, and thank you very much, in advance.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

LCN:rw
Enclosure

AMERICAN COUNCIL ON EDUCATION
Task Force on Business and International Education
AIESEC QUESTIONNAIRE

AIESEC Experience Your name ________

1. Country ________ Job assignment (describe briefly) ________
2. Was local language (if other than English) required? ________ If yes, did you feel that you had sufficient ability? ________
3. Did you receive academic credit for the work experience? ________ If yes, please explain. ________

Educational Experience

1. University ________; year of graduation ________
2. Degree and field of study ________
3. Had you had any "international" courses (in international business, economics or politics; about foreign cultures; history or geography of foreign areas; etc.) prior to your AIESEC experience? ________ If yes, how many? ________

Job Experience

1. In your job interview just after graduation, or since, did your AIESEC experience have a strong positive effect, or no effect? Please indicate on the scale.

   no effect — 2 — 4 — 6 — 8 — strong positive effect

   Please explain: ________

2. Do you feel that your AIESEC experience has had any effect on your job performance since graduation?

   no effect — 2 — 4 — 6 — 8 — strong positive effect

   Please explain: ________

3. In your job experience since graduation, have your duties at any time involved the international activities of the organization for which you are working? (a) years in international activities ________ (b) years overseas ________.

Please return to: Professor Lee. C. Nehrt, WSU College of Business,
Wichita, KS 67208

AIESEC SURVEY

The AIESEC-USA headquarters in New York does not have records of the Alumni who have had traineeships abroad during the past 20 years. Only recently have they begun to put together an Alumni file. Presently they have approximately 600 names and addresses. Of these 180 were randomly selected for this survey, and 64 (35%) returned usable questionnaires. A copy of the questionnaire is attached.

In analyzing the returns, the following results were obtained:

1. Of the 64 respondents, the average number of years since graduation from the university is 8 years.
2. Only 23 trainees (36%) indicated that there was a need to know the local language.
3. Of these, only 4 (17%) felt that they did not have sufficient command of the language.
4. Only 4% of all the trainees had arranged to get academic credit for the traineeship.
5. A total of 50 (78%) of the students had had international courses prior to the traineeship. These had an average of 3.8 courses.
6. Of the 64 respondents, 23 (36%) have since been involved in the international activities of some organization, with an average of 3.4 years in such international activities.
7. Of the 64 respondents, 13 (20%) have worked overseas for one year or more, with an average of 3.2 years overseas. For this group, the average number of years since graduation is 10 years.
8. Of the 19 trainees who indicated that they had had sufficient ability to cope with the foreign language demands of the traineeship, 5 (26%) have since been involved in international activities and 4 (21%) have worked overseas for one year or more.
9. Table I provides a summary of the scores relative to the effect which the traineeship had on the initial job interview and on subsequent job performance. The rating of "0" indicates "no effect" while "10" shows a "strong positive effect."

TABLE I
EFFECT OF AIESEC TRAINEESHIP
on
JOB INTERVIEW AND ON JOB PERFORMANCE

	Of all 72 trainees number who selected each rating				Of 29 trainees who have worked in international activities or worked overseas or both, number who selected each rating			
Rating	Effect on Job Interview		Effect on Job Performance		Effect on Job Interview		Effect on Job Performance	
0	11		8		4		3	
1	3	26%	2	25%	1	24%	0	24%
2	5	essentially no effect	8		2		4	
3	3		4		1		1	
4	5		13		2		5	
5	4	38%	4	46%	1	34%	2	38%
6	9	some	8		5		3	
7	6	positive effect	4		1		0	
8	11		9		6		4	
9	8	36%	4	29%	2	42%	1	38%
10	7	relatively strong positive effect	8		4		6	
	72		72		29		29	

AIESEC SURVEY
SUMMARY OF TYPICAL COMMENTS
REGARDING THE EFFECT OF THE INTERNSHIP

A. *Job Interview*

1. Traineeship led directly to establishing importing business.
2. Work as AIESEC official led to work with UNDP.
3. Led directly to job in a small international consulting firm.
4. It demonstrated a broad range of experience and initiative to prospective employers.
5. Permitted me to get a job with Harvard Business School setting up their International Teachers' Program in Europe, and hence, to other international programs in Europe and Latin America.
6. Job with Price Waterhouse was a direct result of the AIESEC internship.
7. First job was in international marketing.
8. Helped in application to graduate school.
9. Interviewers always expressed interest in AIESEC internship.
10. It put me ahead of others during a very tight job market.

B. *Job Performance*

1. Provided foundation for dealing with people from diverse cultures.
2. Helped in ability to meet new situations and develop interpersonal skills.
3. Immeasurable personal growth in self reliance and international perspective.
4. All of my work experience has subsequently and consequently been in Europe.
5. Language fluency due to AIESEC has been very helpful in career.
6. Help me to shift from domestic banking to international banking and then to an assignment in Europe.
7. The work in "selling" AIESEC traineeships to U.S. firms and other organizations helped in my ability to deal with all sorts of people.

APPENDIX IX

SURVEY OF IAESTE ALUMNI

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

March 31, 1976

I do hesitate to take your time with yet another questionnaire, but it should not take you more than about three minutes to complete it. Your response will be very important to the work of our Task Force.

This Task Force was established by the American Council on Education to study the ways in which universities and other organizations might better educate people, given the growing international aspects of life and of business. IAESTE is one of the interesting programs available to students and we would like to learn what effect, if any, your IAESTE experience had on your subsequent work experience.

Mr. Robert Sprinkle, the Executive Director of IAESTE-USA, gave me your name and address. You are one of our small sample of the IAESTE alumni and it is, therefore, important that we have your response. I have seen the questionnaire which you completed and sent to Mr. Sprinkle. The attached questionnaire attempts to avoid duplication as much as possible.

We look forward to your response, at your earliest convenience, and thank you very much, in advance.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

jag
Enclosure

AMERICAN COUNCIL ON EDUCATION
Task Force on Business and International Education
IAESTE QUESTIONNAIRE

1. Your name: ____________ Year of graduation ____________
2. Type of job assignment as an IAESTE trainee: please describe briefly.

   ____

3. Was local language (if other than English) required? ________ If yes, did you feel that you had sufficient ability? ____________
4. Did you receive any academic credit for the work experience? ________ If yes, please explain. ____________________
5. Had you had any "international" courses (international economics, international politics, about foreign cultures, history or geography of foreign areas, etc.) prior to your IAESTE traineeship? ________ If yes, how many? ________
6. In your job interviews after graduation, or since, did your IAESTE experience have a strong positive effect, or no effect? Please indicate on the scale.

   no effect — 2 — 4 — 6 — 8 — strong positive effect

   Please explain: ____________________
7. Do you feel that your IAESTE experience has had any effect on your job performance since graduation?

   no effect — 2 — 4 — 6 — 8 — strong positive effect

   Please explain: ____________________
8. In your job experience since graduation, have your duties at any time involved the international activities of the organization for which you are working? (a) years in international activities ____ (b) years overseas ____

Please return to: Professor Lee C. Nehrt, WSU College of Business,
Wichita, KS 67208

IAESTE SURVEY

Since the International Association for the Exchange of Students for Technical Experience (IAESTE) was founded in 1948, in London, 160,000 students have participated worldwide. The program began in the U.S. in 1950 under the auspices of a student committee at MIT. Since then, about 2,500 U.S. students have gone abroad for this training experience. In 1975, alone, 4,500 students from 41 countries participated in the exchange, which involved 68 U.S. students.

The IAESTE-US office has on file 1,100 names and addresses of the trainees who had participated between 1955-1970. They had sent a short questionnaire out to these 1,100 last year, and had received 800 responses. This ACE survey used 200 of those, randomly selected. Of the 200 questionnaires mailed, 136 (68%) were returned. A copy of the questionnaire is attached.

In analyzing the returns, the following results were obtained:

1. Of the 136 respondents, the average number of years since graduation from undergraduate studies is 11.3 years.
2. On their IAESTE traineeship, 61 (45%) indicated that there was a need to know the local language (other than English).
3. Of those, 19 (31%) felt that they did not have sufficient knowledge of the local language for their traineeship.
4. Only 3% of the trainees had arranged to receive academic credit for the traineeship.
5. Only 35 (26%) of the trainees had had any "international" courses, other than foreign languages, prior to their traineeship. These had had an average of 2.2 such courses each.
6. Of the 136 trainees, 32 (24%) have since been involved in the international activities of some organization with an average of four years of work in international activities.
7. Of the total, 26 (19%) have worked overseas for one year or more since their traineeship, with an average of two years overseas. For this group, the average number of years since graduation is 11.6 years.
8. Of the 42 trainees who indicated that they had sufficient language ability to cope with the foreign language demands of the traineeship, 9 (21%) have since been involved in international activities and 8 (19%) have worked overseas for one year or more.
9. On Table I we find a summary of the scores relative to the effect which the traineeship had on the initial job interview after graduation, and on job performance since graduation. The rating of "0" indicated "no effect" while "10" indicated "strong positive effect."

   If the 0 to 10 ratings are divided into 3 groups as shown, we find that of all trainees, approximately 20% felt that the traineeship had a relatively strong positive effect on both job interview and job performance. Comparing this to those trainees who eventually ended up in international work activities or overseas, we find that the number who felt that the traineeship had a relatively strong positive effect nearly doubled.

   One would conclude from this that the IAESTE traineeship plays a significant role in leading the participants into international activities and into working overseas.

10. Of the 30 trainees who had international courses, 11 (37%) went into international work. Or, looking at it another way, of the 37 persons who eventually went into international work, only 11 (30%) had previously taken international courses.

IAESTE QUESTIONNAIRE SURVEY

SUMMARY OF TYPICAL COMMENTS REGARDING EFFECT ON JOB INTERVIEW

—I used the experience at every opportunity during interviews; employers noticed and were interested, although the effect was purely psychological.

—I was always questioned about my traineeship during interviews. It showed broad interest in more than just technology.

—It typically came up during interviews, and set me up as someone special.

—Prospective employers weighed summer work experience abroad heavier than local experience.

—In nearly 15 interviews, all noticed the experience as singular, were surprised that such a program was available, and commented very favorably on the initiative shown and the unusually broad experience gained.

—My summer job gave me a unique opportunity to conduct original research, which consistently impressed interviewers.

—Contact established in Europe generated my present overseas job.

—Its inclusion on my resume was very beneficial for the type of employment I was seeking in engineering sales.

—It was a key factor to my eventually moving into export marketing for Texas Instruments Company, in France.

—I applied specifically for international engineering work and received such an offer from Proctor and Gamble to go overseas immediately.

—Prospective employers ranked IAESTE as an important secondary asset, indicative of initiative and selection into an elite group.

—The experience plus my French language ability has permitted me to get subsequent overseas work experience.

—IAESTE put my foot in the door for excellent jobs. Several subsequent positions have been obtained by reason of language and international experience.

IAESTE QUESTIONNAIRE SURVEY

SUMMARY OF TYPICAL COMMENTS REGARDING EFFECT ON JOB PERFORMANCE

—I now work with an international management consulting firm. The recognition of people and cultural difference was key to my successful two years spent living abroad with this firm.

—The actual experience may not have value for engineers in that it does not have engineering value. However, engineers, *especially,* need the broadening influence which this program provides.

—It helped broaden my experience and made me more adaptable to new environments, which has greatly assisted me in my subsequent two years stationed abroad.

—The experience has had a profound influence on me in terms of my international perspective and how I view myself in my occupation. It motivated me to take subsequent jobs overseas for three years.

—The experience, cultural exposure and language proficiency gained from IAESTE was invaluable. It gave me the incentive and an insight into the possibilities of pursuing a career involving international engineering management. I have since spent five years overseas.

—The experience has increased my ability to deal with diverse groups and different cultures. As a result of that experience I am now forming a marketing firm and have assigned "international" as one of my primary targets.

—My experience in working in a German chemical company, living with Germans, and visiting the country have aided me immeasurably. I now understand visitors from other foreign countries and can much more easily work with scientific visitors from Germany.

—Our company is a multinational firm with frequent dealings with English companies. My nine weeks work and cultural exposure in England is frequently used as an accepted base for establishing mutual trust with English colleagues.

—I have subsequently gone to law school. I view the IAESTE experience as a highlight of my life. It helped me discard engineering as a career, broadened my prospective about life style and human relations, and helped establish personal relations with people in Europe with whom I have maintained professional contact.

—Because of the European experience I have continued to read current European technical literature, which has been an important factor in my career development.

—I now have an international consulting company which specializes in continuing education for practicing engineers. Last summer I returned to the Phillip's company in the Netherlands, where I had worked, to teach a series of short courses, and in the audience was my old boss.

—The experience was very helpful in preparing me to relate to and work effectively with engineers from other countries and to live effectively in other countries.

—Because of the experience, subsequent contacts with foreign suppliers and technical licensees have been more fruitful.

—I believe that in attempting to work and function as an inhabitant of a foreign country one gets a much more realistic view of different life styles than if one were simply to travel through that country. IAESTE gave me that opportunity and I consider it to be one of the major events which shaped both my professional and personal life.

APPENDIX X

SURVEY OF "MOBIL SUMMER ABROAD" ALUMNI

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

April 16, 1976

I do hesitate to take your time with yet another questionnaire, but it should not take you more than about three minutes to complete it. Your response will be very important to the work of our Task Force.

This Task Force was established by the American Council on Education to study the ways in which universities and other organizations might better educate people, given the growing international aspects of life and of business. The *Mobil Summer Abroad* is one of the interesting programs available to students and we would like to learn what effect, if any, that experience had on your subsequent work experience.

Your name and university was given to us by the personnel department at Mobil Oil Corporation and we wrote to the Alumni Office of your university to obtain your present address.

We look forward to your response, at your earliest convenience, and thank you very much, in advance.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

saa
Enclosure

AMERICAN COUNCIL ON EDUCATION
Task Force on Business and International Education
MOBIL SUMMER ABROAD QUESTIONNAIRE

Mobil Summer Abroad Experience Your name ____________

1. Country ________ Job assignment (describe briefly) ________________
2. Was local language (if other than English) required? ________ If yes, did you feel that you had sufficient ability? ________________
3. Did you receive academic credit for the work experience? ________ If yes, please explain. ________________

Educational Experience

1. University ________________; year of graduation ________________
2. Degree and field of study ________________
3. Had you had any "international" courses (in international business, economics or politics; about foreign cultures; history or geography of foreign areas; etc.) prior to your Mobil Summer Abroad experience? ____ If yes, how many? ________

Job Experience

1. In your job interview just after graduation, or since, did your Mobil Summer Abroad experience have a strong positive effect, or no effect? Please indicate on the scale.

no effect	2	4	6	8	strong positive effect

Please explain: ________________

2. Do you feel that your Mobil Summer Abroad experience has had any effect on your job or your job performance since graduation?

no effect	2	4	6	8	strong positive effect

Please explain: ________________

3. In your job experience since graduation, have your duties at any time involved the international activities of the organization for which you are working? (a) years in international activities ________________
(b) years overseas ________________

Please return to: Professor Lee C. Nehrt, WSU College of Business,
Wichita, KS 67208

MOBIL OIL SURVEY

The Mobil Oil Corporation had a "summer abroad program" from 1954 to 1968 whereby 10 to 12 students were selected for summer jobs in foreign subsidiaries of Mobil the year before graduation. Over the years there were 136 such trainees. Of these, Mobil hired 34 after graduation. Of these, 10 are still with Mobil.

The 34 who were hired by Mobil were not included in the survey because their responses would bias the results. An attempt was made to obtain the current addresses of the other 102 by writing to the Alumni Offices of the universities which they were attending when participating in the summer abroad program. This involved 31 different universities. All except two responded. Hence, questionnaires (a copy is attached) were sent to 94 "summer abroad" participants and usable responses were received from 41 of them—a 44% response rate.

In analyzing the returns, the following results were obtained:

1. Of the 41 respondents, the average number of years since graduation from the university is 13 years.
2. A total of 23 trainees (56%) indicated that there was a need to know the local language during their summer abroad.
3. Of these, 4 (17%) felt that they did not have sufficient command of the language.
4. None of the trainees had arranged to obtain academic credit for the traineeship.
5. A total of 22 of the trainees (54%) had had international courses prior to the traineeship. These had an average of 5 courses each.
6. Of the 41 respondents, 27 (66%) have since worked in the international activities of their companies, with an average of 3.5 years in such international activities.
7. Of the 41 respondents, 21 (51%) have worked overseas for one year or more, with an average of 5.3 years worked overseas. For this group, the average number of years since graduation is 13.5 years.
8. Of the 19 trainees who felt that they had had sufficient ability to cope with the foreign language demands of the traineeship, 12 (63%) have since been involved in international activities, while 11 (58%) have worked overseas for one year or more.
9. Table I provides a summary of the scores relative to the effect of the Mobil summer abroad program on the initial job interview and on subsequent job performance. The rating "0" indicates "no effect," while "10" shows a "strong positive effect."

MOBIL OIL SURVEY

SUMMARY OF TYPICAL COMMENTS REGARDING EFFECTS OF SUMMER ABROAD PROGRAM

A. *Job Interview*

1. Gave me an initial track record; I had done something concrete and constructive.
2. Interviewers recognized the program as having been highly selective.
3. Caused me to seek an international job—obtained one with Standard Oil.
4. I learned that I did not want to work as a chemical engineer and hence sought a job in marketing.
5. Confirmed my inclination to work abroad or at least with an international firm.
6. Obtained initial job in the international division of a company.
7. It was the first step in a wholly international career.

B. *Job Experience*

1. I had developed self assurance and self initiative as a result of the summer abroad.
2. I have followed an international path since then and am now Regional VP for Gulf, in London.
3. Gave me a strengthened perspective on international business and economics.
4. Gave me a jump on others; I had some international business savvy.
5. First employer (P & G) sent me abroad almost immediately.
6. Helped make me fluent in Spanish, which has greatly aided my subsequent career in Latin America.
7. It was a broadening experience, especially for an engineering student.
8. The experience taught me to have much greater tolerance for other peoples and customs.

APPENDIX XI

SURVEY OF INTERNATIONAL AFFAIRS AND AREA STUDIES PROGRAMS

University of Pittsburgh
GRADUATE SCHOOL OF BUSINESS

American Council on Education
INTERNATIONAL EDUCATION PROJECT

March 26, 1976

Dear Colleague:

The American Council on Education has appointed a Task Force on Business and International Education to examine how educational institutions are preparing students for careers in international business, to identify educational experiences useful for such positions, and to analyze the skills and attitudes needed by international business executives. One part of this Task Force is studying the relationships between area studies and international affairs programs and education for international business.

The enclosed questionnaire seeks to obtain information about various aspects of your program. It would be most helpful if you will take the time to fill out the questionnaire (as best you can). Incidentally, similar requests have been sent to other programs throughout the country. The prompt return of the questionnaire to the University of Pittsburgh will insure that this important information will be included in the report.

Thank you for your help in this study.

Sincerely,

David H. Blake
Associate Professor of
Business Administration
and of Political Science

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American Council on Education
Task Force on Business and International Education

Questionnaire for International Affairs/Area Studies Program

As part of a broader study of education for international business sponsored by the American Council on Education, we are exploring ways in which educational institutions are contributing to the development of persons with skills useful in international business. Consequently, we are seeking information from several different types of academic programs (on the undergraduate and graduate level) about the amount and nature of training in international business available to and undertaken by their students. Since your institution has programs in international affairs and/or area studies, we are anxious to obtain information about your school. Your help in completing this questionnaire will be most appreciated, and we hope you will send us appropriate descriptive information too (brochures, etc).

1. Name of program, program director, and degree offered.
   SEE THE ATTACHED STATEMENT
2. How many students graduated from your program in 1970 and 1975?
   Undergraduate: 1970 ________; 1975 ________
   Graduate: 1970 ________; 1975 ________
3. a) What courses are offered in your program which contribute to international business competence? Please append a brief description (official bulletin descriptions will be appropriate).

	Course Name	1974-75 Enrollment Graduate	Undergraduate
a.			
b.			
c.			

   b) Please put an asterisk (*) in the appropriate column beside those courses listed in question 3a) which are required by your program.
4. Please indicate below or on a separate sheet the names of your faculty who have particular competence in international business studies, by having done research in international business, through international business work experience, and as a result of graduate studies in international business.
5. If you use faculty members from your university's business school program in your program, please describe how they are involved.
6. Does your school/program provide faculty support for research in international business?________. If so, approximately what percent of your research budget was allocated to this area in 1974/1975?________. What is the approximate amount of money involved? $________. Is the

TABLE I
EFFECT OF IAESTE TRAINEESHIP
on
JOB INTERVIEW AND ON JOB PERFORMANCE

	Of all 136 trainees, number who selected each rating				Of 37 trainees who have worked in international activities or worked overseas or both, number who selected each rating			
Rating	Effect on Job Interview		Effect on Job Performance		Effect on Job Interview		Effect on Job Performance	
0	30		18		3		1	
1	8	43%	12	32%	1	32%	3	21%
2	21	essentially no effect	13		8		4	
3	2		11		1		3	
4	13		17		4		4	
5	9	39%	6	43%	2	38%	3	38%
6	15	some	17		4		2	
7	14	positive effect	8		3		2	
8	11		13		5		6	
9	6	18%	7	25%	3	30%	3	41%
10	7	relatively	14		3		6	
	136	strong positive effect	136		37		37	

TABLE I
EFFECT OF MOBIL SUMMER ABROAD PROGRAM on JOB INTERVIEW AND ON JOB PERFORMANCE

	Of all 52 trainees, number who selected each rating				Of 34 trainees who have worked in international activities or worked overseas or both, number who selected each rating			
Rating	Effect on Job Interview		Effect on Job Performance		Effect on Job Interview		Effect on Job Performance	
0	7		6		6		5	
1	0	19%	1	33%	0	18%	1	32%
2	3	essentially no effect	10		1		5	
3	2		2		0		0	
4	4		5		2		4	
5	4	42%	2	44%	1	36%	1	44%
6	6	some	8		3		5	
7	6	positive effect	6		6		5	
8	9		7		6		3	
9	9	39%	4	23%	7	46%	4	24%
10	2	relatively strong positive effect	1		2		1	
	52		52		34		34	

support of international business increasing________, decreasing_____, or stable________?

7. Do you have a formal program with the business school of your university by which students can take courses in business?________. If so, how many of your students were enrolled in business school in 1974/75? Graduate________; Undergraduate________. If you have a formal program, what year did it begin?________.

Accounting
Analytical methods
International
 Marketing
Behavioral science/
 organizational theory
Business environment
International finance

Marketing
Production
Finance
International
 Business
Business policy
Other (Identify)

Please put an asterisk (*) in the appropriate column beside those areas which are required of all students by your arrangement with the business school. (Note: It would be helpful if you would send material describing this program.)

8. If you do *not* have a formal program with your university's business school, are your students allowed to take courses in that school? ______. If so, please indicate approximately how many of your students were enrolled in business school courses in 1974-75. Graduate________; Undergraduate________.
9. Do you offer post-degree programs for business executives which would contribute to international business competence?________. If so, how many executives participated during 1974-75?________. Please send descriptive information.
10. Please send us any information you may have which would indicate the percentage of your graduates who hold positions in business and the types of positions they have.
11. Thank you for your help and please send us any information which you think might help our study.
12. Please return this questionnaire to: David H. Blake, Graduate School of Business,
University of Pittsburgh,
Pittsburgh, PA 15260

APPENDIX XII

REPORT OF THE SUBCOMMITTEE ON EDUCATION AND INTERNATIONAL BUSINESS DIPLOMACY

The Significance of Business Diplomacy

Business diplomacy is critical to the success of the multinational corporation and significant for relations among nations. There is every reason to believe that its importance will increase in the future. Nations and the underlying forces of nationalism appear destined for the immediate future to remain the central features of the global scene. The MNC is unquestionably a major agent for the achievement of economic objectives of nations. The interactions required by that role are therefore of central importance to the goals of nations as well as of the firms themselves. In this report we will focus on interactions with host nations but we do not intend thereby to ignore the importance of business diplomacy in the broader pattern of relations with other elements of host nations as well as those of parent societies.

Noting the general importance of business diplomacy, we have observed a few major trends which we feel will make it of increasing significance for executives. The first is the fundamental shift in relationships between the MNC and host nations, evident particularly in developments related to the United Nations (Report of the Group of Eminent Persons and formation of the Centre for Transnational Corporations) but also visibly apparent around the world in the expansion of host government firmer and greater sophistication of their treatment of MNCs.

The second is the movement toward codes of conduct for MNCs. This concept, which had its origin in the mid-50's, has developed very slowly but it appears now to be coming fairly rapidly to maturity with the achievement of a tangible step among the OECD nations and strong impetus among the LDCs. While superficially one might assume that the codification of elements of business conduct might ease the need for business diplomacy, we believe in fact that it will increase its importance, particularly in light of the voluntary and quite loosely worded character of presently conceived codes. Their effect, we perceive, will be more to bring to the fore the issues enhancing thereby the magnitude and importance of the role of those vested with the responsibility for action related to them.

Third, the decline in the technological advantage which U.S. business held immediately after World War II has progressively increased the importance of skill in business diplomacy for the competitive success of U.S. MNCs. Whereas in earlier years it might be possible to succeed in large measure because of the vital economic importance to host nations of technologies controlled by one or a very small number of U.S. firms, today that advantage rarely exists. Success therefore is dependent upon competence in handling all aspects of negotiations for the utilization of technologies which are little if at all better than those of MNCs of other nations.

The fourth development which is at a relatively early stage, is the rapid expansion of foreign investment within the United States, resulting in an increasing number of Americans employed by foreign concerns. The roles of these executives involve a quite different pattern of business diplomacy than that of U.S. MNC management. However, we feel that the underlying skills are of a similar nature and this development therefore provides a further impetus for giving importance to acquiring business diplomacy competence.

Finally, the subcommittee has a profound conviction that there is an overall trend of which the foregoing elements are part, which will make the next couple of decades a critical period in the whole pattern of international business-government affairs. We observe that economic relations between nations have become increasingly important and complex, that the problem of resolving the economic gap between developed and developing nations shows little sign of improvement and is therefore a source of growing tension, and that there continue to be major deficiencies in the quality of international business-government affairs. We have a gnawing concern therefore that unless the quality of business diplomacy makes a major leap forward in the next decade or so, the role and options open to business will be substantially removed from them and taken over by governmental authority and action. For the good of the world and its own benefit, therefore, it behooves U.S. business and the institutions behind it, including the educational system, to lend their best efforts to improving the skills of U.S. management in business diplomacy.

Plan of Analysis

The purpose of the work of the subcommittee has been to develop recommendations for the contribution of education to development of business diplomacy skills. As a basis for those recommendations, however, and to make them meaningful to others, we found it essential to analyze the system by which business diplomacy was conducted within the MNC, the qualities required for effective performance of business diplomacy roles and the career patterns of executives performing these roles.

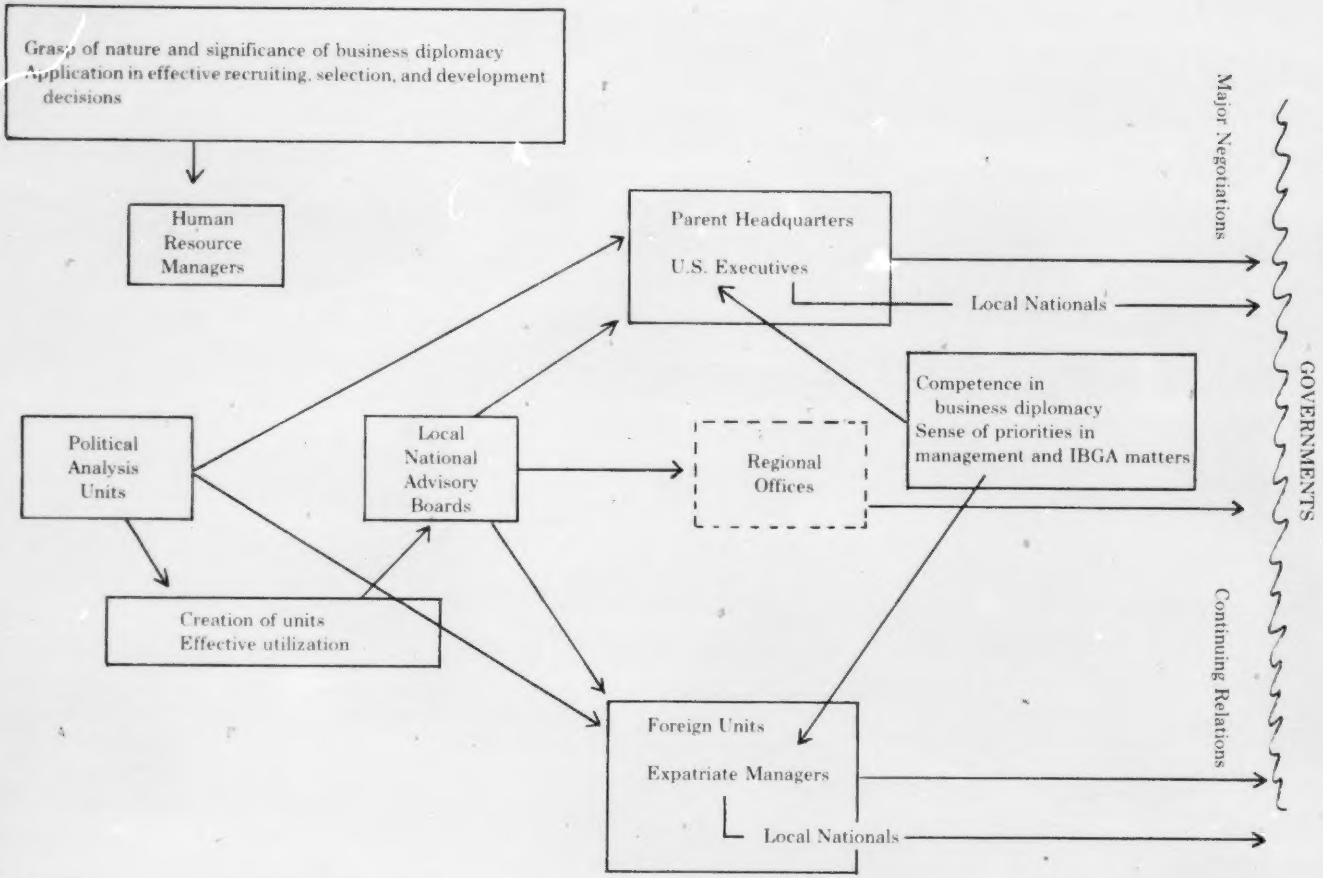
Business Diplomacy in the MNC

Business diplomacy is not and cannot be a function assigned to a small group of individuals. Rather it is a pervasive responsibility of the total MNC operations in which varied elements of the organization have a part to play. Most importantly, it is a part of the regular responsibilities of virtually all line managers of the multinational firm.

Chart #1 depicts the main components of this system. The operational conduct of business diplomacy is largely in the hands of the front line executives. The pursuit of continuing relations with host societies and particularly their governments rests with the managers posted overseas. One study determined that 45% of the time of general managers abroad was devoted to interactions with host governments. The prime requirement and

CHART 1

BUSINESS DIPLOMACY SYSTEM OF THE MNC


Grasp of nature and significance of business diplomacy
Application in effective recruiting, selection, and development decisions
Human Resource Managers
Parent Headquarters
U.S. Executives
Local Nationals
Major Negotiations
GOVERNMENTS
Continuing Relations
Competence in business diplomacy
Sense of priorities in management and IBGA matters
Political Analysis Units
Local National Advisory Boards
Regional Offices
Creation of units
Effective utilization
Foreign Units
Expatriate Managers
Local Nationals

difficulty of this role will vary substantially from country to country, from company to company, and from manager to manager. But there is no doubt that business diplomacy is a conspicuous concern for all executives with general management responsibility abroad. Parent MNC executives may have less involvement in business diplomacy as far as time is concerned, but the critical importance of their role is conspicuous. The responsibility for major negotiations and other top-level interactions with foreign governments rests with them. Regional offices, where they exist, fall in intermediate areas of responsibility, including some role in both major negotiations and continuing interactions with host governments.

Because of their knowledge, status and skills local nationals are a vital component of effective business diplomacy. Their utilization, on the other hand, requires that the parent country nationals have, themselves, a high level of competence. As a general principle of management an executive cannot delegate a function unless he has a basic understanding of the problems, approaches and skills required for it. Specifically, in this instance, the parent country national, in order to work effectively with the local national, must understand the host government situation to which the local nationals are relating and understand the latter's thinking and behavior in order to guide them and to govern his own decisions and actions. Beyond that there is a broad range of situations in which the parent national must himself conduct interactions with host governments.

Because of their fundamental and direct role in business diplomacy, the needs for the future are greatest among these line executives. As noted on the chart, the basic requirement is development of greater business diplomacy competence. The other broad need which we perceive is to develop among them a better sense of priorities among the range of business management subjects before them (finance, marketing, etc.) and the conduct of international business-government affairs (IBGA). Perhaps because of their early career preoccupation with basic management functions (see below), perhaps because of the lesser importance of IBGA in the U.S. society and perhaps because of the difficulty of business diplomacy, there is too often a tendancy to give it a lower priority than conventional business management matters. Over the long term, however, this balance of priorities has demonstrably worked to the disadvantage of the MNC and it is important, therefore, that the conduct of business diplomacy be given a higher priority in the outlook of line executives at all levels.

Although the front line executives carry the basic responsibility for the conduct of business diplomacy, a variety of units and individuals in the corporate structure contribute to the function. On Chart #1 we have noted three units which are of particular significance in this system.

Political analysis units (which may go under varied names) have appeared in a few major MNCs in the past five years or so. Essentially they are a product of recognition by management that IBGA matters deserve the same sort of staff treatment as has been provided by market research units, financial analysts and other functional specialists. The basic logic of this point is indisputable and among the larger firms there is no question but that the complexity, number and importance of IBGA issues are such that a strong analytical unit is justifiable.

Effective implementation of this concept among MNCs is, however, at a very early stage. As yet such units exist in only a few firms. So far in a broad range of companies even the first step of creating them is the immediate need. Beyond that lies a range of questions which are just now being identified and for which solutions will require extended and intensive effort. We will simply note here the broad problem which is not uncommon to all staff units at early stages, namely the need to develop among line personnel an understanding of the capabilities and needs to utilize the political analysis units and for those units the need to develop with the line people an appreciation of their competence and usefulness so that there is a desire to call upon them for assistance and support.

It should be noted that there is a further problem as to division of responsibility and authority between the headquarters and foreign units. While Chart #1 suggests a distinction between continuing relations and major negotiations and assignment of responsibility for each at different levels, in fact, the borderline between these two types of interactions is often ill-defined and by the same token the allocation of responsibilities for them between the parent and the foreign units lacks clarification. Our survey suggests that this is a significant area for attention by management, that often deficiencies in business diplomacy may arise from lack of definition of responsibility so that IBGA matters "fall between the cracks."

Local national advisory boards have also appeared to a significant degree in relatively recent years. Although their form varies considerably from company to company, the basic concept has a few common characteristics among virtually all of them. The boards are composed of local nationals from the highest levels of society, typically retired businessmen or government officials (not strongly identified with one political group). Their function is to serve as a sounding board to provide MNC management with a sense of local national attitudes toward their strategies and plans and to provide a linkage with high-level people in the local national society. Their main interactions with the MNC are at the highest levels in the parent organization where basic strategies are determined. They also provide at this level a means of tuning in to host society attitudes, the approaches of top-level parent executives whose early careers may have involved limited contact with foreign societies. Chart #1 shows the advisory boards have contact with regional offices and foreign units. However, these contacts are not intended to include lower-level operating decisions because the personnel involved have neither the time nor the background to become involved in detailed strategy implementation and tactics.

From all indications the small number of firms which have created local advisory boards have found that they are extremely useful. Once again, however, the needs are essentially similar to those of political analysis units. First, it is desirable that many more MNCs develop them or some approach to achieving a similar function, recognizing that the cost and complexity preclude fullblown advisory boards for smaller firms. And then there is a range of questions involved in developing effective means to utilize the boards, even in those firms which have already initiated them.

The third supporting group noted in Chart #1 are the *human resources managers.* These people are significant in the improvement of the business diplomacy system because of their significant role in decisions affecting the development of skills within the organization, including recruiting, assignment decisions, development programs and organization changes. The options available in these areas and the roles which the human resources managers may play will become evident as this report progresses. At this point, however, we must stress our great concern at the level of understanding and attention given to business diplomacy needs among human resources managers. Among a few of them in larger and more sophisticated firms, a solid grasp of the nature and significance of business diplomacy exists. Among too many others, however, we observe that the preoccupation of people in these roles is largely with such matters as compensation plans for overseas personnel. We do not discount the difficulty and importance of such matters. However, there is no question but that substantial improvement in the quality of business diplomacy skills will be well served by development of greater concern and grasp for them among human resources managers.

The Nature of the Business Diplomacy Skills

If our goal is development of competence in business diplomacy, we should at the outset define the qualities it requires. Doing so in any detail unfortunately is quite impractical. One can find in men who have been successful in business diplomacy abroad a wide variety of qualities and styles of behavior. This point in itself has profound educational implications because it is quite clear that a very flexible system which stimulates individuals to develop capabilities within their own individual style is appropriate.

Recognizing this general thrust toward diversity, we can, however, identify at least a few basic points of quite broad applicability. Overall it would appear that there are two essential requirements for business diplomacy. The first is a substantial understanding of the IBGA context. The second is a capacity for adapting behavior to fit that context. While simply stated, these two requirements identify needs for intellectual attainment and self-control in personal behavior which are a major challenge for the personal development of individual managers.

To give some substance to these two broad requirements, we will note a few of the major attributes which we identified in our survey. At the intellectual level mastery of the business aspects of IBGA issues is an obvious requirement; but beyond that lie several large areas over and above the normal intellectual equipment of U.S. executives. There is a need to understand the social, cultural and political context within which the foreign officials with whom the MNC executive is dealing must work in order to understand the options open to them and their patterns of behavior. More specifically, we note that a substantial portion of current IBGA negotiations are with the new breed of technocrats responsible for investment planning and decisions in host governments. These individuals have a high degree of sophistication in economics. Both to obtain their respect and to negotiate and discuss issues effectively with them the business diplomat must have a reasonable grasp of the same type of knowledge.

The manager also finds himself frequently in a position where he must explain and defend both the private enterprise system and the U.S. government. Thus, these major environmental elements which he may largely take for granted and require little discussion with others at home, become major elements in the conduct of business diplomacy. He must develop sufficient grasp of their character along with a conviction as to their soundness in order to support them effectively in IBGA discussions.

On the behavioral side the point that was emphasized to us repeatedly by international executives was the essential requirement for sensitivity in relations with others and along with it a capacity for self-control and wisdom in behavioral style. We noted that the actual style employed varied substantially but some points which have been effective and seem sound are useful to note as illustrations. For example, one top executive of an MNC stressed the importance of sticking to concrete business issues in negotiations. He observed that there were frequent occasions in which philosophical or other issues might appear in discussions. He had found that it was of great importance to remain aloof from political, conceptual and controversial matters of this sort, confining comments to the concrete issues of specific business deals. Another executive noted that the skills he had learned in negotiating with U.S. coal miners had proved essentially appropriate in work in varied international contexts. The essential requirement was his capacity to understand the point of view of the other individuals and to seek out and emphasize areas in which they had a common ground without being distracted by matters in the wide areas in which there were differences in point of view and where there was no hope of eliminating such differences.

In assessing the challenge which these business diplomacy skills embody we may note a few widely observed characteristics of U.S. executives. First, there is the problem of grasping the character of foreign situations, particularly among executives who are advanced in their careers and have had no previous foreign experience. One person, for example, in the course of our survey described the great difficulty which the top executive in one of our largest MNCs had in understanding the power which labor unions were exerting over the operations of the firm in two European countries and the course which business diplomacy had to follow in view of this aspect of the environment. A second point noted earlier is the thin experience of U.S. executives in relations with their own government and the generally limited role of the U.S. government in business affairs as compared to that found abroad. A third element is the strong drive found among U.S. managements to propagate their methods abroad. This drive finds substantial reinforcement in the demonstrated value of a large portion of those methods for the advancement of industrial processes overseas. This factor combined with the great self-confidence generated by success within his own corporation is a tremendous handicap for the U.S. executive in the necessity to adapt and modify his approach in the business-government relations in which his knowledge and capabilities are generally below the level of effectiveness common in foreign societies.

Career Patterns and Development of Business Diplomacy Skills

The requirements of business for various types of skills as careers of managers progress is a significant factor in considering the development of business diplomacy competence. The righthand side of Chart #2 tells the essential elements of this story.

At the early stages of managerial careers, the overwhelming emphasis is on particular functional skills (accounting, marketing, etc.). In the jobs to which young management personnel are assigned competence in a particular function is by far the greatest need although potentials for broader management achievement are sought. It is ability in these basic functional areas that looms large in selection decisions of recruits for management service.

As managers progress up the hierarchy the requirements for success change with general management competence receiving increasing emphasis. Competence in a broader range of functional areas is expected as well as general management skills including decision making and ability to handle people and the organization as a whole.

The need for business diplomacy skills follows a progression similar to that for general management. The demands are limited at the outset of careers and tend to increase in magnitude and complexity as careers progress. Despite this parallel pattern of evolution, however, the balance of emphasis between general management and business diplomacy skills in corporate life is distinctly different. The former is of overriding and essential importance to the progress of individuals. The latter is a secondary consideration, the existence of which is viewed favorably but by no means considered an essential requirement for progress, even though it may be critical for the firm's success.

This general pattern applies with some modifications to the specific question of assignment of individuals to overseas positions. A widely held statement of requirements for an overseas post would run roughly as follows:

1. *Technical competence in business functions.* Important both for the actual management of the business and for achieving respect by local nationals who regard such competence as the sound reason for sending foreigners to work in their country.

2. *Broad general management skill.* Especially stressed because foreign units have to operate with a greater degree of independence from senior executives and staff than domestic ones.

3. *Entrepreneurial capability* to develop the activities of entities which are often at early stages and which again are separated from sources

of initiative in the home organization.

4. A high degree of *personal self-reliance.*

5. *Competence in relating to the local society* including business diplomacy skills.

This pattern of priorities is not as adverse to the business diplomacy competence as might at first glance appear because some of the qualities required, particularly for general management, are highly relevant to business diplomacy. For example, it was frequently observed that sensitivity to other people is a major need for those assuming general management roles and this as a basic characteristic is undoubtedly one of the most important elements in business diplomacy as well. However, the pattern does bring out quite clearly that the existence of business diplomat skills will not be given primary attention at any level of the progression of managerial careers. Thus the only practical way to look at the enhancement of business diplomacy competence in the organization is in terms of marginal career influences, selection processes which favor to some degree people with these capabilities, and the sustenance, reinforcement and development of interests contributing to business diplomacy skills as a supplementary process to the main pattern of career development throughout the progression of individuals up the managerial hierarchy.

Education and Development of Business Diplomacy Skills

Having acquired some perspective on the system by which business diplomacy is conducted in MNCs, the requirements of skill in this area and the related career patterns, we may now look at personal development processes which contribute to those skills. Broadly it must be observed at the outset that to a considerable degree the interpersonal capabilities, the types of interests and the general intellectual capabilities which contribute to business diplomacy are the product of early family life and other experiences. Our concern here, therefore, is with incremental influences which may affect to a moderate degree the encouragement, focus and strengthening of those capabilities. The observations which were just made about career patterns and related skills are also highly relevant because they emphasize the secondary role of business diplomacy with the overwhelming emphasis in the career progressions and educational influences being placed in early years on functional skills and only later on broad management competence. In this perspective the development of business diplomacy skills must be thought of in terms of highly varied patterns with a large degree of voluntary selection of routes and experiences. To be practical, recommendations must relate to this outlook with emphasis on providing marginal and incremental opportunities at a variety of career stages with no expectation that efforts in this direction will become a major thrust of management or related educational processes.

Proceeding from this viewpoint, we will look at the opportunities to influence the whole educational process to upgrade the character and availability of opportunities for education which contribute to business diplomacy skills. The key elements in this process are shown on the lefthand side of Chart #2 starting with early education experience, proceeding through professional schools, foreign living experience and the educational experiences available during managerial careers, including internal interactions, management development programs and public foreign affairs activities.

Early Education

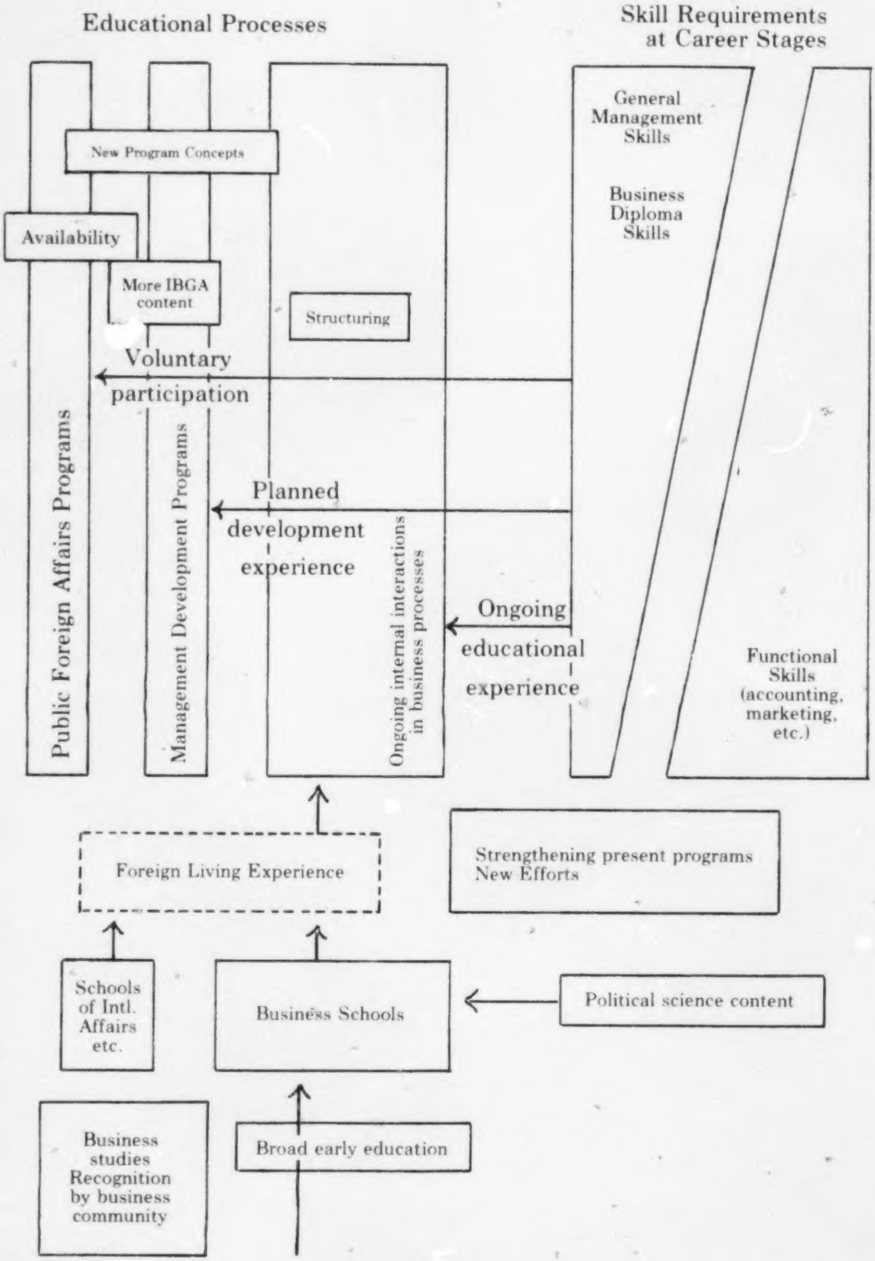
There seems no doubt that managers who are successful in business diplomacy roles generally have a strong interest and knowledge of international affairs and that these qualities have origins in their early education. These observations lead to the commonly expressed encouragement of substantial liberal arts or humanistic education at the college level or at even earlier stages of education. For example, one notably successful international executive observed that a high school history course emphasizing U.S. foreign policy was the most exciting experience he had in high school and it encouraged an interest which continued throughout his life. More specifically it is felt that early education should include sufficient history and study of foreign societies to provide the individual with a sense of the varied patterns of foreign countries and, more fundamentally, to excite his curiosity and interest. Equipped with these fundamentals he may be expected to expand upon them and pursue them as experience and opportunities develop throughout life.

On a somewhat different track is the encouragement by some people of substantial training in economics at the college level. Considering both the importance of economics in the management of international enterprises and the value of a sophisticated economic competence in dealing with host country government professionals, the subcommittee recognizes this logic but observes that economics training is a relatively practical expectation at the professional school level and covers any deficiencies in earlier education. On the other hand, any substantial amount of education in the political, social and cultural aspects of varied societies is rarely practical at the professional school level, so we strongly encourage this emphasis in early schooling.

Direct implementation of this recommendation is difficult, but broad influence in that direction may be fostered by some indirect actions by professional schools and the business community. For example, business schools may give greater weight to a humanistic early education in their admissions screening. We received one suggestion that a section on subjects of this nature be added to the general business school admissions tests. While this specific proposal is probably impractical, it suggests the direction in which efforts might be encouraged. By the same token recruiters of business firms may further the goal by giving emphasis to basic humanistic and social science education in their interviewing. The scholastic grapevine is a highly effective communications medium and, if the

Chart 2

PROCESSES AFFECTING DEVELOPMENT OF BUSINESS DIPLOMACY SKILLS


Educational Processes
Skill Requirements at Career Stages
New Program Concepts
Availability
More IBGA content
Structuring
Voluntary participation
Planned development experience
Ongoing educational experience
Public Foreign Affairs Programs
Management Development Programs
Ongoing internal interactions in business processes
General Management Skills
Business Diploma Skills
Functional Skills (accounting, marketing, etc.)
Foreign Living Experience
Strengthening present programs
New Efforts
Schools of Intl. Affairs etc.
Business Schools
Political science content
Business studies Recognition by business community
Broad early education

word goes out that important firms are stressing this type of early education, it will encourage students to move in that direction.

Early education in languages as a preparation for business diplomacy has wide support. It is generally recognized that it is impossible to predict at an early age the specific languages which an executive may need at various stages of his career. The objective, however, is to instill in a person at an early age the capacity to communicate in a second language and to acquire some competence and confidence in the capacity to learn new languages. The preference here is for education starting at the pre-collegiate level. People with whom we spoke expressed a concern at the apparent trend toward contraction of foreign language instruction at that level brought on by the current strains on primary and secondary education budgets. We recommend that business and others do whatever they can to stem the adverse direction of the current trend and re-establish momentum towards greater foreign language education in early stages of life.

IBGA in the Business Schools

By a very large measure the greater portion of students receiving professional education who will go on to business careers are found in business schools. Many are in undergraduate programs and advanced business degrees have received high recognition for those with managerial ambitions. While the MBA is not yet a union card for management success it is clearly a favored ticket for movement up the managerial hierarchy. Thus, in considering education for business diplomacy one must give substantial attention to contributions which may be made at the business school level.

For our study a questionnaire was sent to 55 schools to determine the present status of international business-government affairs studies in their programs. Only 28 usable replies were received. However, the responses do give a useful sense of the current situation and provide a basis for suggestions for future progress.

The schools were asked to indicate which of their courses had international business-government affairs content and what the percentage of the total content it composed. Unfortunately, this question was misunderstood by at least 9 of the 28 schools as each of them listed several courses with 100% IBGA content including such topics as International Marketing and International Economics. Apparently they did not catch the distinction between International Business and IBGA.

The responses by the remaining 19 schools do, however, provide some useful indication of the IBGA curriculum content. The courses listed fall roughly into two categories.

1. Content relevant to the IBGA context: international economics, economic development, international finance, comparative management, area analysis, etc. These courses were indicated to contain something in the 10-30% range of IBGA content. This content would be understood in terms of our study to be highly relevant to the subject, giving

the student an understanding of the context in which business diplomacy takes place.

2. IBGA policy and practice: under this heading would fall courses in general international business, international business management, international marketing and the like. These courses were indicated to contain a wide range of IBGA material. For example, courses of varying names which could fall in the general category of International Business Management included the following percentages: 2 at 5%, 2 at 10%, 10 at 15-25%, and 2 at 30-40%. While some of this range is doubtless due to variations in definition of IBGA and difficulty of estimating the portions in a course, the spread is sufficient to suggest that there is a substantial difference in the degree of attention given to this subject in the most commonly offered course in which it would be appropriate. As advocates of furtherance of business diplomacy studies, we would, of course, encourage movement in the direction of those courses offering the greater portion of IBGA content.

The survey did not identify any regular courses which were devoted entirely to the study of international business-government affairs. Two courses were noted on international business negotiations, both of which were indicated to have 100% IBGA content. However, these would have to be identified as something less than full IBGA courses as they deal with a rather specialized aspect of that total subject. It should also be noted that some courses are known to exist at business schools which deal intensively with the political relationships of the business firm in general, giving substantial attention to the international aspect of it. We view this sort of course with particular favor because of its capability to develop a depth of sophistication of understanding of political processes which may contribute basically to business diplomacy skills as much as any fuller treatment of concrete IBGA issues in international business management courses. Their potential in this regard is essentially the same as that of basic international economics, cultural anthropology, etc. in equipping the students with a fundamental competence in the subject area. As we will note below, there are potentials for taking such studies outside of the business school. As a practical matter, however, it is far easier for students to take courses within their regular school context. Thus the emergence of these courses in the business school curriculum itself is highly desirable for the development of business diplomacy skills.

Although courses providing fundamental content useful for business diplomacy skills may be provided within the business school curriculum, in many cases it is most efficient and practical to have students take this type of course elsewhere in a university. A question in the survey sought information on the extent to which this practice was either permitted for business school students or required for those concentrating in international business studies. Overall, 21 of the 28 schools allowed students to take such courses elsewhere in the university and 10 of the 28 required one or more such courses for international business students. The breakdown of courses is indicated below.

	Undergraduate		Graduate	
	Allow	Require	Allow	Require
Inter-cultural communication	5	1	6	
Economic development	9	1	10	
Negotiation and diplomacy	3	1	5	
Areas studies	6	1	5	1
Foreign languages	9	1	8	1
International economics	6	6	11	5
International politics/affairs	7	1	5	1
Cultural anthropology	6		7	
Other	4		7	

A further step in the direction of using curriculum resources elsewhere in the university is the development of a formal joint program with one or more other schools or departments for business students. Nine of the 28 schools had programs of this nature. Their titles, listed below, give a rough picture of the variety of their character, while the enrollment data for 1974-75 compared with the total enrollment in the business school indicated the extent to which these courses of study are being pursued.

	Total business school students		Students in joint programs	
	Undergrad.	Graduate	Undergrad.	Graduate
1. Interdisciplinary program in international development	165	–	2	–
2. Latin-American Affairs	244	696	7	11
Sino-Soviet Studies	244	696	2	9
International Affairs	244	696	11	14
Public Administration	244	696	0	37
3. MBA/MA Latin American Studies	–	282	not available	
4. School of International Affairs	not available		not available	
5. Mexican/American Business Program	805	–	8	–
6. International Business Studies	700	–	21	–
7. International Studies	600	–	30	–
8. Public Administration	1196	–	not available	
9. Center for International Studies	256	–	26	–

Some further comments will be made in the next general section on these joint programs. It should be noted in the business school context, however, that participation in these programs tends to grow more from non-business school areas toward the business school than from the business school outward. As will be noted below, there is a substantial job-oriented motivation on the part of the non-business school students to seek participation in joint programs involving business school curricula. On the other hand, the initiative among business school students to reach out from their school to participate in programs having various forms of international affairs content is less strongly motivated and more inclined to be deterred by certain complications which will be noted below. These points are particularly pertinent to the graduate programs which are typically quite structured and crowded, with little flexibility in the standard two-year

MBA. Thus the greater portion of the joint programs appear in the more flexible undergraduate programs with only four of the schools having graduate joint study arrangements. Considering these elements, it is encouraging to note the existence of a variety of such experiments. We also note that several of the programs were created quite recently, including two in 1975. This is an encouraging indication of new experimentation and we endorse further movement in that direction.

IBGA Faculty Competence

The relatively widespread existence of varying degrees of IBGA curriculum content is encouraging, but the faculty competence implementing it is of quite mixed quality. In our survey we asked that the schools identify members of their faculty who had IBGA competence. The information provided is of such mixed character that it is not readily reduced to summary form. However, the general pattern did come through very clearly. In only five of the 29 schools were there regular members of the business school faculty who had doctoral degrees in political science, international relations or very closely related studies. In the great majority of schools where IBGA content was taught, it was typically in the hands of people who had degrees in either business or economics and who had acquired IBGA knowledge through research or in some cases work experience. Thus by the standards normal to judging professional competence (e.g., international economics should be taught by someone with thorough professional schooling in economics), the political component of international business studies is in the hands of people with a very limited disciplinary competence.

We feel that this is a major element of the situation requiring attention for the future. In addition to those few professors with strong international affairs background identified in the survey we are aware of a handful of others scattered around the country. At most, therefore, we would estimate that there may be a dozen faculty members with sound credentials for instruction in the fundamentals of IBGA in business schools at this moment. We feel that the instructional competence of such people is, other things being equal, far superior to that of men from other disciplines who have picked up IBGA knowledge in a less systematic manner as their careers progressed. It would seem of great importance to progress in this field that the number of professors with the basic disciplinary competence expand substantially in the future. We note a parallel situation in the manner in which psychology and sociology were introduced into business school studies during the 1950's and 1960's with a large influx of professors with basic competence in those fields. We would hope, therefore, that in the next decade there will be a comparable influx of political science, international affairs and similar experts into business school faculties. We note that this will be more difficult to accomplish now that enrollment growth is slower and faculty expansions limited. However, we feel that additions of this sort should have a high priority.

In the absence of a full-time professor with international studies or political science competence on a business school faculty, schools may achieve the desired teaching competence by employing faculty members from other parts of the university. Our survey indicated five schools in which people with this type of ability were employed by a business school, including three in which they taught full courses. We are aware of some instances in which there are joint appointments between, for example, a business school and a school of international affairs.

International Affairs Studies as a Preparation for Business Diplomacy

A program of study in international affairs is a logical foundation for future responsibility for business diplomacy. There are substantial complications, however, deterring the realization of its full potential. Notable among them is the dominant pressure in the late stages of education to acquire functional skills to meet the early job requirements of the managerial system and the reinforcing inclination of corporate recruiters to emphasize competence in these skills. Nonetheless an appreciable number of students do move from dominantly international affairs studies into business careers and even in modest numbers they may have a major impact in the total business diplomacy competence of their organization. Their most obvious utilization is in the specialized work of political analysis units where their international affairs competence may be fully utilized and for which corporations may more readily recognize their abilities in the early recruiting process. However, over the long term, their impact may be greater as they move in the line organization. A small number of people with high-caliber business diplomacy skills may contribute to developing those skills among other executives with whom they associate who have not had the benefit of strong international affairs backgrounds in their early education. In addition, they perform an important role themselves in the conduct of corporate international diplomacy.

These observations led us to give particular attention to the way in which international affairs study programs were actually preparing people for international business careers. Valuable inputs for study in this regard were provided by the survey of international affairs and area studies programs conducted by Professor Blake. This appears in other parts of the Task Force report.

Both the data from Professor Blake's survey and our own investigations support the general proposition that international studies are providing an appreciable number of students for business service or, to state the fact from another perspective, that business careers are a prominent prospect for students in these areas of university study. The data suggests that among both area study and international affairs programs, something in the range of 20 to 50% of graduates go into business careers. The indications from our interviews also indicate that the trend is in this direction; that some of the opportunities in government and other organizations which have traditionally been favored by students in international affairs programs have appeared less favorable in recent years. As a result, they are increasingly seeking opportunities in the business field.

The present volume of international affairs graduates entering business, the trend to expand that volume, and the potential value of these people for business diplomacy competence all encourage efforts to improve the effectiveness of programs to relate themselves to international business. The implications of this proposition are many and varied, given the pluralistic character of the American educational system and the freedom open to students in choosing routes to pass through it. We have chosen to limit our focus to one major aspect of the situation which appears to be most significant, namely the relating of international affairs and business studies. This focus recognizes that the critical need for those pursuing basically international studies programs is to achieve acceptance and effectiveness in early relations with corporations. In a nutshell, they must find a job with a company and be able to hold it and progress effectively, particularly in the early stages of their careers when business diplomacy skills will be of less significance than functional competence. Our inquiry in these directions was reinforced by comments we received from varied sources, both faculty members and students in international affairs. These indicated that the business community was not generally alert to the value of such programs as sources of management recruits. There was substantial pressure from the students in particular to acquire business skills as part of their study program and to have the administrators of their schools "sell" the value of their study programs to corporation recruiters. They were quite concerned because they perceived themselves to be at a significant competitive disadvantage in relation to the MBA holders. Furthermore, there were some reports which confirmed the concerns of the recruiters that students from the international affairs programs fitted into early business careers less readily than business students. There has been a growing pressure among the international affairs students to emphasize business careers over the past few years. We found a number of structural responses to this pressure which compose a considerable body of experimentation. These lay a valuable groundwork for greater competence in preparing international affairs students for business careers in the future.

From this perspective we devoted our attention to one aspect of the situation, namely the ways in which business studies may be incorporated into the programs of international affairs students. Broadly the university situations here fall into three major categories: those in which there is virtually no business input in international affairs programs; those in which there is a limited amount; and those in which it has been systematically developed. Professor Blake's data provide a rough indication of the distribution of programs among these categories. He sent out questionnaires to 696 area study programs from which he received 55 responses. Of these, 28 allowed students to take courses in business schools and 9 had formal programs in collaboration with business schools. The questionnaire was sent to 63 international affairs programs from which 10 returns were received. Nine returns listed formal programs in collaboration with business schools. The general indication from these data are that the greater portion of area studies and international affairs programs were not significantly concerned with business studies at this point.One would have expected a much higher response, as for example was true of the responses by business schools to inquiries to them about their international studies programs. There appeared to be a relatively small number of programs which had systematically developed a means of acquiring business content for their students through establishment of formal programs in relation with their business school counterparts. Thus one would roughly understand that among the categories noted here, the greater portion would fall in the first group and that among the balance, those with systematic programs are probably in the minority. This situation, in terms of immediate educational results, is not encouraging, but our sense of the situation from varied interviews is more heartening in that we observed substantial movement in the direction of more attention to business studies among international affairs faculties. A number of new efforts seem to be currently under way or being planned and from all indications the expansion which we feel desirable is underway, even though it is at an early stage.

Inevitably, in the early stage of evolution, there are a number of areas of action upon which there are varied views and experience. Notable among them are the choice of business subjects appropriate for international affairs students; the structuring of the subjects in curricular programs; and assorted relationship matters where collaboration between international affairs and business programs is undertaken.

To give some broader perspectives in which these individual components may be more readily understood, capsule descriptions of the total approach of four prominent international affairs programs are given. In each of these schools the importance of expanding business studies is fully appreciated but the approaches are notably different. In one major respect these differences are dictated by the situations of the schools, namely whether or not there is a closely associated business school. Because the Fletcher School of Law and Diplomacy at Tufts, and John Hopkins' School of Advanced International Studies (SAIS) have no business schools in their parent universities to whom they can relate, their business programs must be developed internally. However, the approaches even among these schools are notably different. Fletcher's business program is essentially based upon one faculty member with a law and tax background. The courses offered are heavily oriented toward his area of competence and outward from that in the direction of general international business management policy. The courses are structually grouped along with others under the general heading of International Law and Organization. The course titles suggest their content: Legal Aspects of International Trade and Investment, International Business Transactions, Seminar on International Law and Multinational Enterprise. Fletcher has given some consideration to providing a means whereby its students can take courses in basic business subjects, like marketing and finance, but as yet has not developed anything of this type. SAIS on the other hand has only one true business course, which was developed two years ago, dealing with various aspects of business finance. The course represents a response to strong student demand and the fact that the major recruitment for the 25% of its students who go into business is from the banking community. The course has proved extremely popular, with a large portion of the student body enrolled. This indicates a desire to acquire at least minimal competence to assist in both getting jobs and being effective in performance.

Columbia's School of International Affairs and Pittsburgh's Graduate School of International Affairs and Public Administration have both relied entirely upon their associated business schools to provide business studies for their students, but again the patterns are distinctly different. At Columbia three general options are open to the international affairs student: taking a business course or two on an elective basis; selecting business as a specialization in the MIA program; or taking a joint MIA-MBA degree. The first option exists in the availability of four electives in the total of 16 courses required for the MIA degree The student is free to elect from a substantial range of business courses cross-listed in the catalog of the School of International Affairs. The second option lies in the choice of an area of specialization required in the IA program to consist of 6 courses concentrated in one of several area studies or professional specializations. Among the latter are International Business and International Banking and Finance. For the International Business specialization, the School provides a list of courses falling into two tracks–marketing–accounting and finance–accounting. The courses are heavily oriented toward basic business studies, e.g., marketing management, business finance, etc. with only one international course listed in the recommended list for each track and three others listed as options for either track. The International Finance and Banking lists have much the same character with the emphasis again placed on the student acquiring basic business skills with the international business subjects assigned to a secondary status. It should be emphasized that the students do receive a large body of international content in the non-business school segment of these options, e.g. international law, foreign political processes, etc. The third option, the joint MIA-MBA program, requires three years during which students fulfill requirements for both of the two-year masters programs with a limited number of courses counting for both degrees.

At Pittsburgh there is no formal structuring of the curricular programs in relation to the business school. A substantial number of international affairs students do and are encouraged to take business school courses in the international area. The process has been facilitated by close intellectual relationships of some faculty in both schools. The students typically focus on international business courses in the business school, which apparently are very popular.

The differences among these schools illustrate the range of approaches also found in Professor Blake's survey and indicated in other aspects of our explorations. With respect to subjects to be studied, there are clearly two schools of thought. One approach emphasizes the value of basic business studies. The career-oriented logic here lies in the importance of these skills in obtaining and succeeding in initial managerial assignments. A supporting argument is found in the view of some faculty members that without this sort of basic competence the individual cannot deal effectively with international business courses which typically presume a basic competence in the subject at hand, e.g., general marketing know-how to handle an international marketing course. The other approach is to emphasize international business subjects. It is presumed that the students' interest in these subjects will be higher than in the basic courses and that they will more closely relate to the international affairs studies. The presumption is that the basic competence can be acquired on the job, as has been true and continues to be true for a large portion of liberal arts and other students going directly into business careers.

On the whole it would appear that the arguments for the first approach, the emphasis on basic skills, is the stronger. It appeared from our inquiries that where change was underway it was generally in this direction. However, our investigations were limited and the evidence at hand is far from conclusive. We would have to observe that this is one area in which a clear definition of a desirable approach is yet to be determined.

The type and degree of formality of structure of business programs is equally uncertain and perhaps will remain quite varied and flexible because of important factors in student motivations and interests. We found that students pursuing business studies as part of international affairs programs had quite varied characteristics. Probably the most common situation is that of the student who has a broad interest in international matters which leads to enrollment in an international affairs program. As the study program progresses the student gravitates toward an interest in international business either because the subject matter proves appealing or probably more commonly because of a consciousness of the employment situation which emerges from communications with other students. Early desires for government service, employment with social agencies, or other objectives are blunted by an appreciation of the limited opportunities. The individual, perceiving a substantial range of opportunities in business, shifts gears to acquire whatever competence is available to equip him for that sort of career. As one dean put it, a large portion of those seeking business studies are pursuing a "patch-up" plan. For this sort of student need, the business content of an international studies program must be reasonably flexible and particularly structured so that it can be undertaken in the second year of the student's work. Another type of student we observed is the individual who is consciously seeking an international business career when he enters a school of international studies but has deliberately chosen it in preference to a business school program because of varied reasons. Some simply wish more international study. Others prefer the greater flexibility. For example, one student we spoke with had already had a couple of years of business experience and felt that the required basic courses in the MBA program would be a waste of time. In a school of international affairs he could take more varied courses in its curricula and could take business courses according to his particular interests rather than those established by the MBA required patterns. Yet another group is motivated either by a lack of interest or a lack of competence in some portions of the required aspects of the MBA program. Some, for example, are put off by the quantitative content which is currently heavily emphasized in MBA programs.

While incorporating business studies in varying ways in programs leading to international studies degrees appears a quite promising and feasible approach, the outlook for double degree programs is much less optimistic, at least at the graduate level. There is substantial logic to support the educational value and job-market ability of joint degrees like Columbia's MBA-MIA program. But for the great majority of students the time and cost required is excessive. Maintenance of high standards for two graduate professional degrees precludes compressing the time span sufficiently to appeal to a large number of students. At the undergraduate level, where greater time is available, the prospects for combined programs are more promising.

Although the general pattern we observe here suggests the value of flexibility and variety in the structuring of business content, there is an administrative corollary which we should emphasize. Both students and faculty members observed that there are risks that students may get "lost" in this process. The options available, the quality and character of business school courses that might be taken and a number of other aspects of joint programs appear to be difficult for some students to readily grasp. The feeling is that the success of such a program is substantially dependent, therefore, upon intimate concern and knowledge by administrators and faculty members having close ties with both schools.

This last point leads directly into what appears to be perhaps the most important element in the progress and success of efforts to relate international affairs and business studies, namely the commitment and interest of the international affairs faculty. It seems to be almost universal experience that international affairs faculties are divided in their views on this matter, some members strongly adhering to negative reactions. Among the latter there is a feeling that international affairs studies should not move in the direction of becoming a professional school program, and that most particularly, professionalism pointing toward business careers is inappropriate. They see in such a shift implications for the scholarly quality of their programs which are undesirable. We do not feel that these concerns are justified. However, we recognize fully the bases and sincerity of the feelings of the faculty members. And more importantly from the point of view of change in this area, we understand the great importance of proceeding through orderly processes of discussion and transition to arrive at the goals which we see as desirable. Thus it is not surprising that it has required two or three years in schools to achieve small steps ahead in the incorporation of business studies in international affairs curricula. Likewise, it is inevitable that, even when steps ahead are adopted, there will be lags in full acceptance throughout the school which deter the effectiveness of innovations. Each school must work through these transitional stages in its own way. Our only recommendation, therefore, must be to encourage patience and persistence in the process.

These qualities are particularly relevant in working through the variety of detailed administrative aspects where the business component of international affairs programs is accomplished by using courses in associated business schools. We noted in our survey a variety of such questions including term calendars which were out of phase; adjustment by students to differences in teaching methods and student attitudes; restrictions which sometimes favored business school students against outsiders in enrollment in heavy demand courses; and differences in grading systems. In one instance, the latter proved particularly troublesome because the business school employed a different spread of grades than an international affairs program so that students enrolled in courses in the former with grade levels transferred directly to their international affairs transcripts tended to have poorer averages than they would have had if all their courses had been governed by international affairs standards. Many of these problems, particularly one like the latter, can be resolved much more readily if there is strong faculty and administrative commitment to support the business studies programs. Clearly, where administrators or faculties of international studies are adverse to the business school collaboration, complications are often aggravated, to the detriment of the whole concept.

The placement process for international affairs students in the business community is a further administrative element in which strong institutional support is valuable. We have noted earlier that the recognition by the business community of the value of international affairs students is quite limited except among the banking community. Students in international affairs programs are acutely conscious of standing at a substantial competitive disadvantage to MBA's. Recruiters tend to concentrate their attention on the business schools not only because the volume of recruits is greatest there, but also because they are thoroughly familiar with the quality of MBA programs and have substantial experience with the graduates of the business schools. By contrast the programs followed by international affairs students are extremely varied and the recruiters have a more difficult time in assessing the value of the graduates for business careers. These are elements which can only be resolved fully by time, experience and the maturing of the programs. However, the situation can be improved by efforts on the part of the schools to increase interest and understanding of their graduates among the recruiters. We noted in our explorations distinct differences among schools which indicate what can be achieved in this direction. In one school in which business studies were accepted but little systematic effort had been made to support them, the students seeking business careers largely had to ferret out their own jobs. In another school where there was a substantial commitment in this direction, a responsible dean devoted time on a regular basis to visiting business firms to acquaint them with the program of his school and other efforts were made to encourage recruiters to seek graduates from its program. This school noted that despite the worries of students about their competitive status relative to MBAs, in fact, the percentage of students placed two to three months after graduation in business firms was higher for its graduates than for those from the business school.

Foreign Living Experience

There is wide support for the value of a period of full immersion in a foreign society early in life as preparation for business diplomacy. The capacity to understand, appreciate and adjust to the people and institutions of other nations can only be substantially achieved by actual living experience.

Our survey revealed a disconcerting picture of decreasing opportunities for young Americans to acquire this sort of experience. The long-established institution of the "Junior Year Abroad" for college-age students appears to be contracting. AIESEC, after a steady rise during the 60's reaching a level of about 400 summer traineeships abroad each year, has been declining recently and now stands at about half that level (see full Task Force report). The expanding and desirable practice of employing local nationals to fill middle management positions in foreign subsidiaries has eliminated a large portion of the opportunities for young management personnel to serve abroad. As far as the educational institutions are concerned, a background factor in this situation is the substantial contraction of support of international studies by foundations and the government. The overall volume of financing has shrunk by about one-half over the past decade and in light of inflation the real support therefore stands at about 25% of the level achieved in the mid-60's. This fact has implications for many aspects of international studies, but notable among them are the opportunities for overseas experience.

Reversing this trend in financing of the educational institutions will not be easy, particularly in light of the severe financial pressures in the nation towards supporting other needs both outside of education and in the basic educational system. Within the scope of activities open to those who will have a particular concern with this report, however, there are specific possibilities of action. We note particularly the possibilities of revitalizing AIESEC, whose strength is largely dependent upon the internships and financial support provided by multinational companies. We especially encourage imaginative efforts within companies to provide early overseas experience for men low in the management hierarchy. A few companies are already experimenting productively with such ideas as sending young managers abroad for short-term assignments (up to one year) in which they may undertake useful tasks as well as acquire in-depth experience in foreign societies which may be extremely valuable in future business diplomacy roles.

In-Company Education

By far the greater portion of the education of people for management takes place within their regular working activities. By trial and error, observation and other experiences, the manager develops in his day to day work most of his skills, particularly those in which humanistic qualities are fundamental. These observations apply fully to development of business diplomacy skills, particularly because of the limited formal education available and the pattern of increasing need for the skills as careers progress. As a practical matter therefore, a very large portion of the skill in business diplomacy which present international executives have, has been acquired in "the school of hard knocks."

Because in-company education is so great in volume and because experimental education has such a strong impact, the potentials for improving its contribution to business diplomacy skills deserves prime attention. We have noted in the previous section one useful contribution in this direction in the development of new approaches to early overseas assignments for young management personnel. Another approach which contributes in this direction is the assignment of foreign nationals to U.S. positions for extended periods. A few companies are developing this on a systematic basis. While the primary intent here is usually to develop skills of the foreign national, in fact his presence among a group of U.S. executives assures continuing interaction which will affect their capacities to work with foreign societies. Another productive approach which is being employed in varying forms in multinational firms is to bring managers of various countries together for intensive interaction over periods of several days. While regional offices are typically established for other reasons, in fact they also provide highly effective educational experiences since typically they are staffed with a fair balance of parent and foreign national executives.

We would like, in our recommendations, to include encouragement of development of business diplomacy competence as an important factor in decisions on basic career development planning for executives headed for top management where there is a high probability they will have to handle business diplomacy roles. Unfortunately such a recommendation would be so inconsistent with the dominant pattern of business practice that it is not realistic. Where companies are able to make basic assignment decisions with long-run management development objectives in mind, the overriding considerations must and will continue to be the development of breadth in functional and product line competence. The time span available in which to achieve even this goal is so limited that as one executive observed to us: "The typical executive would be 80 years old by the time he was fully competent and then he would be of no use." To add building business diplomacy skills to the development routing experiences is therefore, in general, impractical. In a large portion of companies a long- run view towards development in assignments is not even attempted because the pressures to accomplish business tasks require assigning individuals as best one may to fill pressing immediate needs. In this context, therefore, the best one can propose is that those making basic assignment decisions be aware of the importance of business diplomacy skills as careers develop, with the hope that whenever there is some flexibility, assignments may consider opportunities for developing these skills as an important, if secondary goal.

Management Development Programs

Participation in management development programs is now a well-established practice for a large portion of managers in multinational firms moving into the higher levels of corporate responsibility. It is a particularly useful vehicle for education in business diplomacy skills because the timing meshes with the growing need for those skills as careers progress.

One of the ACE Task Force surveys covered management programs offered by business schools, indicating that roughly two-thirds included international business content. The extent varied from less than 5% in about a third of the programs, to a few programs devoted exclusively to international business. There was no survey made of the in-company programs of companies. However, from our general knowledge we are aware that the pattern here is roughly similar—some have no international content, others have some, and a few provide very heavy treatment of international business. In addition, some firms make a systematic effort to include in their programs managers of several nationalities assuring a strong international educational impact.

We made no systematic study of the character of the international content of management programs. From our personal knowledge, however, we have the impression that its characteristics are rather similar to those of much of the content of international business study in business schools and that the same shortcomings exist. The nature of the problems encountered by business are such that inevitably international business-government affairs appear prominently in the subject matter (e.g., cases on investment decisions, lectures on nationalism, etc). Thus the general content for advancing business diplomacy skills is present. However, the effectiveness of the educational experience varies greatly in quality as a function of the time provided, the depth of study required and the sophistication of the instruction. Our encouragement therefore lies in these directions in particular, as well as expansion of IBGA studies into those programs which do not now include them.

Public Foreign Affairs Programs

Public foreign affairs programs may play a particularly useful role in this field because of the secondary importance which business attaches to development of business diplomacy skills as compared to basic functional and general management competence. A specific case encountered in our survey will illustrate this point. We spoke with a man who had progressed through an exceptional career but one which in many ways is similar to that of a large portion of those reaching higher levels of management requiring business diplomacy skills without early training specifically for that purpose. Early in his pre-college years some interest in foreign affairs had appeared. In college he took an engineering program with very little curricular flexibility, but in the few electives available he studied history. For many years his career was confined to domestic operations. However, he did continue his international studies. They received a valuable impetus in the 1950's in an adult education program sponsored by the World Affairs Council. Ultimately, as he reached the senior levels of management, his responsibilities included overseas business and his involvement in business diplomacy expanded substantially. At this stage the perspective nurtured through long years by the continuing interest in international affairs proved of great value.

The key features of this case are of basic significance to the whole subject of development of business diplomat skills. The greatest needs for those skills are expected to generally appear at advanced stages of management careers. It is not practical to expect that for most men these skills can be developed at that stage starting from scratch. Because of the dominant need for development, first of basic functional skills and then of general management competence, business itself is not likely to give substantial attention to early development of business diplomacy skills. Effective business diplomacy competence at late stages of careers may for many managers be greatly furthered by the nurturing of the underlying interests required through activities external to their main business work. While to a substantial degree this may be achieved simply through reading and other activities of the individual by himself, the availability of public foreign affairs programs can be of great value.

Activities of this nature already exist in all major cities. Prominent among them are the programs of the Foreign Policy Association, World Affairs Councils and the Council on Foreign Relations. We strongly encourage business to support these programs. Business has already done so in many cases, viewing these programs as important to the general education of Americans in international affairs. The point of our present analysis is to reinforce the logic of that support with a further rationale that the existence of these programs is a valuable part of the institutional system available in developing business diplomacy skills for the benefit of business firms. MNCs therefore gain by financial support which assures the availability of these programs to serve those executives who seek the supplemental educational benefits they provide in advancing their business diplomacy skills. The firms are also well advised to encourage that participation by explicit recognition of its value to the firm.

Collaboration in Innovative Efforts

All of the basic established educational institutions have significant deficiencies in one way or another for the development of business diplomacy skills. In view of the importance of those skills there is, therefore, great value in innovative efforts in which business, public and educational institutions may well collaborate. Particularly promising would seem to be new programs in which the capabilities of universities in international affairs and political science were mobilized in cooperation with business firms. We note as encouraging in this regard the collaboration of Johns Hopkins' School of Advanced International Studies (SAIS) and the

International Management and Development Institute (IMDI). With IMDI playing an energetic organizational role, a strong program of varied activities for businessmen, which contributes to business diplomacy competence, has evolved. The SAIS-IMDI model is just one approach, however, and we would hope that other institutions would experiment in different directions. For example, the SAIS-IMDI program is heavy on information giving and interaction with "big name" people on the Washington scene. Programs which have a deeper analytical character, comparable to the intellectual challenge provided in basic executive development programs offered by universities, is another direction which can usefully be explored for IBGA studies.

APPENDIX XIII

SURVEY REGARDING THE STUDY OF INTERNATIONAL BUSINESS—GOVERNMENT AFFAIRS

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

Attached is the *last* questionnaire I will be sending to you relative to this ACE Task Force effort. It is part of a study of the growing role of the "business-diplomats," the individuals in U.S. corporations who become involved in discussions or negotiations with foreign and domestic government officials and who develop policies and strategies for various relations with governments. This involves a combination of background in international business, political science and international relations. For purposes of this study it is called "International Business—Government Affairs (IBGA)."

The question addressed by this questionnaire is, "What are business schools doing about preparing graduates to be better equipped to perform this function at some time in their careers?" Please note that most of the questions are about IBGA as such—*not* about "International Business" in general.

John Fayerweather is in charge of this IBGA study, which also includes a series of interviews with international businessmen. I shall be sending him the results of this questionnaire survey. We hope that you will be able to take the short time required to complete this questionnaire and mail it back at your earliest convenience.

Thanks much.

Sincerely,

Lee C. Nehrt
R. P. Clinton Professor of
International Management

jag

AMERICAN COUNCIL ON EDUCATION
TASK FORCE QUESTIONNAIRE
ON
INTERNATIONAL BUSINESS—GOVERNMENT AFFAIRS (IBGA)

For purposes of this study, we are defining International Business—Government Affairs (IBGA) as that role which managers in international business play in formulating policies for relations with home and host governments and conducting interactions with government officials, at home and abroad——the "business-diplomat" role.

The questions below seek information on aspects of the business school programs which may contribute to the development of competence in International Business—Government Affairs (IBGA).

1. How many business school graduates did you have in 1975, and how many had either a major or minor in international business?

	Total	Major or Minor in Int'l Business
Undergraduate		
Masters Level		

2. What courses do you offer which have IBGA content? Please *append* catalogue *descriptions* or other information.

	Course Name	Approx.% IBGA Content	Enrollment 1974-75	
			Undergrad	Graduate
a.				
b.				

3. Do you have any formal joint programs with one or more parts of your university, outside the business school, whereby your students can take non-business courses which will add to their IBGA competence? ______ If yes, when did the first one begin? 19____. Please identify such programs and indicate the number of business school students enrolled in them in 1974-75.

	Name of Joint Program	# of Business Students Enrolled	
		Undergrad	Graduate
a.			
b.			

*Please attach a copy of a brochure or catalogue description of each program.

4. Below is a list of general non-business subjects your students in international business might be able to take elsewhere in the university to enhance their IBGA competencies. Please check ( ) those subject areas they are *allowed* to take as part of the international business concentration. Also indicate if the subject area is *required* of your international business students. Finally, it would be helpful to have some indication of how many business students take the non-business school courses listed above. If you have actual *enrollment* data for them, please enter it. If not, we would appreciate any rough estimate you can make.

	Undergrad			Graduate		
	Allow.	Req.	Enroll.	Allow.	Req.	Enroll.
Intercultural Communication						
Economic development						
Negotiation and diplomacy						
Areas studies (specific areas)						
Foreign Languages						
International economics						
International politics/ affairs						
Cultural anthropology						
Other (specify)						

5. Please indicate below, or on the back of this sheet, the names of your faculty who have some competence in IBGA studies; please check the column(s) to indicate the source for that competence. (Elaboration regarding the competence, on a separate sheet, would be helpful.)

	University Degree (in e.g. Polit. Science)	Work experience in IBGA functions (years)	Research in IBGA
a)			
b)			

6. If you use faculty members from other parts of your university to increase your students' competence in IBGA, please indicate their discipline and how they are involved.

Discipline	Type of Involvement
a)	
b)	

7. If there are other aspects of your program which contribute to development of IBGA competence, but are not covered by the listed questions, please send us information on them.

8. Does your school provide faculty support for research in the various aspects of international business? ________ If so, approximately what percent of the research budget is allocated to this area? ________ Approximate dollar amount? ____________ Is the trend up, down, or stable? ________

9. Does your undergraduate or MBA program provide an opportunity for overseas learning experience? ________ If "yes," how many students participated in such activities in the 1974-75 school year?
Undergraduate ____________ Graduate ____________

Thank you very much for your help.

Please return questionnaire to:
Professor Lee Nehrt,
WSU College of Business
Wichita, KS 67208

APPENDIX XIV

SURVEY OF LAW SCHOOLS AND LAW FIRMS

American Council on Education
INTERNATIONAL EDUCATION PROJECT
WASHINGTON, D.C. 20036

TASK FORCE ON BUSINESS & INTERNATIONAL EDUCATION
COLLEGE OF BUSINESS ADMINISTRATION
WICHITA STATE UNIVERSITY
WICHITA KANSAS 67208

LEE C. NEHRT, CHAIRMAN

May 26, 1976

Dear Sir:

A few weeks ago I mailed you the attached questionnaire. If you have not already done so, it would be very helpful if you would complete and return this questionnaire now. It should take only a few minutes of your time and your information will be very important to the work of our task group.

This task group is made up of businessmen, lawyers, academics and government people. Its purpose is to study the ways in which universities might better educate people in a world of increasing internationalization.

One area of our study is the field of international business law. I emphasize that our subject is concerned with the legal aspects of *international business* rather than international law which deals with inter-governmental affairs.

It would be most helpful if you would take the time to answer the questionnaire and return it in the enclosed self-addressed, stamped envelope at your earliest convenience. Since our study will use only summary results, your response will be kept confidential.

Your cooperation in this study is very much appreciated.

Sincerely,

James H. Sood

Please return the questionnaire to:

Professor James H. Sood
School of Business Admin.
The American University
Washington, D. C. 20016

AMERICAN COUNCIL ON EDUCATION
TASK FORCE QUESTIONNAIRE
ON INTERNATIONAL BUSINESS LAW

NOTE: Throughout this questionnaire, the term *international business law* refers to *the legal aspects of international business.*

1. Does your law school offer a program in international business law? yes ________ no ________
2. If you do have a program in international business law, how many students are in the program? ________ What % of total student enrollment? ________
3. What specific courses does your school offer in international business law? ____
4. Are your law students required to take any courses in international business law? yes ________ no ________ If so, what courses? ________
5. Does your law school have a hybrid or combined program of study with the graduate business school of your university? yes ________ no ________ If so, please describe ____
6. Do graduate business students in your university take courses in international business law? yes ________ no ________ If so, is this a requirement or an elective? ________________ What course or courses do they take? ____
7. Does the business school at your university offer a course in international business law at the graduate level? yes ________ no ________. What is the title of the course? ________________
8. It is possible for a lawyer to gain a background in international business law in several ways. What is your opinion as to the desirability and feasibility of each of the four approaches noted below?

(a) JD and on-the-job learning of international business law

useless	of little value	ambivalent	desirable	highly desirable

impossible	very difficult	problematic	feasible	highly feasible

(b) JD including courses in international business law

useless	of little value	ambivalent	desirable	highly desirable

impossible	very difficult	problematic	feasible	highly feasible

(c) JD and courses in international business from graduate business school

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

(d) JD and MBA with major in international business

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

9. What proportions of your law graduates enter: government______% private industry______% private practice______%

Please return this questionnaire to: Prof. James Sood
School of Business
The American University
Washington, D.C. 20016

SURVEY OF LAW SCHOOLS

28 of 36 responded (78%)

Question 1.	Yes—22 (81%) No—5 (19%)
Question 2.	How many?—30.1 average Percentage?—4.6% average
Question 3.	International Business Transactions International Trade and Investment International Taxation Seminar: International Legal Problems Admiralty Int'l Business Policies & Institutions Comparative Law International Economic Development International Private Trials
Question 4.	Yes—1 (4%) No—27 (96%)

Question 5. Yes—19 (68%)
No—9 (3[illegible]%)
17 of the 19 who said "yes" have a four year combined JD/MBA program and 1 has a six year combined program

Question 6. Yes—11 (41%)
No—16 (59%)

Question 7. Yes—7 (27%)
No—19 (73%)

	no. responses	average response	
Question 8a.	26	4.00	(desirable)
	26	4.00	(feasible)
Question 8b.	27	4.41	(desirable—highly desirable)
	24	4.42	(feasible—highly feasible)
Question 8c.	24	3.50	(ambivalent—desirable)
	22	3.50	(problematic—feasible)
Question 8d.	26	3.77	(ambivalent—desirable)
	24	3.79	(problematic—feasible)

Question 9.

	average
Government	13.3%
Private Industry	7.7%
Private Practice	73.5%
Other	5.3%

AMERICAN COUNCIL ON EDUCATION TASK FORCE QUESTIONNAIRE ON INTERNATIONAL BUSINESS LAW

NOTE: Throughout this questionnaire, the term *international business law* refers to *the legal aspects of international business.*

1. When adding to your legal staff, do you look for lawyers who have some background in international business law? yes________ no________

2. Do you require some of your lawyers to specialize in international business law? yes________ no________

3. If the answer to the last question is yes, approximately how many lawyers in your organization are specialized in international business

law?________ What percent is that of the total number on your legal staff?________

4. What specific areas of international business law is your organization most concerned with?____

5. In your opinion, is there a shortage of lawyers coming out of law school with capabilities in international business law? yes________ no ________

6. It is possible for a lawyer to gain a background in international business law in several ways. What is your opinion as to the desirability and feasibility of each of the four approaches noted below?

(a) JD and on-the-job learning of international business law

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

(b) JD including courses in international business law

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

(c) JD and courses in international business from graduate business school

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

(d) JD and MBA with major in international business

useless	**of little value**	**ambivalent**	**desirable**	**highly desirable**

impossible	**very difficult**	**problematic**	**feasible**	**highly feasible**

7. What changes would you like to see in the programs of law schools and graduate schools of business in order that they might better meet the

needs of the legal aspects of international business? ______________

____

Please return this questionnaire to: Prof. James Sood
School of Business
The American University
Washington, D.C 20016

SURVEY OF INTERNATIONAL LAW FIRMS and AMERICAN MULTINATIONAL COMPANIES

24 MNCs and 49 law firms surveyed
37 of 73 responded (51%)

Question 1. Yes—24 (71%)
No—10 (29%)

Question 2. Yes—25 (71%)
No— (29%)

Question 3. How many?—16.3 average
14.3% average

		times mentioned		times mentioned
Question 4.	Financing	12	Anti-trust	6
	Taxation	12	Licensing	5
	Contracts	9	Gov't permits	5
	Int'l Trade	9	Acquisitions	4
	Investments	9	Litigation	3

Question 5. Yes—13 (46%)
No—15 (54%)

	no. responses	average response	
Question 6a.	35	3.40	(ambivalent—desirable)
	24	3.58	(ambivalent—desirable)
Question 6b.	34	3.74	(ambivalent—desirable)
	21	3.81	(ambivalent—desirable)
Question 6c.	33	3.55	(ambivalent—desirable)
	18	3.72	(ambivalent—desirable)
Question 6d.	33	3,33	(ambivalent—desirable)
	18	3.39	(ambivalent—desirable)

Question 7.

comments	times mentioned
more integrated with international business studies	5
have a formal course in international business	4
experience is the key	3
international case course (legal cases)	3
combined JD/MBA-desirable	3
civil law course	3
language capability	2
international tax course	2
international business law course	2
comparative law course	1
more emphasis on business contracts	1
fundamentals of foreign and regional law	1
international economics course	1
foreign exchange programs	1